National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/65338	Date: November 29, 2024
Circular Ref. No: 412/2024	

To All NSE Members,

Sub: **SEBI Order In the matter of Continental Seeds and Chemicals Limited**

This has reference to SEBI Order no. QJA/AA/IVD-1/ID5/31035/2024-25 dated November 29, 2024 wherein, SEBI at para no. 129.1 of above order has issued directions specifying The below persons are prohibited from accessing the securities market and from buying, selling or otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for the following time periods:

Sr. No	Name of Entity	PAN	Time period
1	Praveen Rastogi	AEEPR1283A	2 years
2	Sachin Rastogi	ANOPR3507J	2 years
3	Praveen Aroma Pvt. Ltd.	AAGCP0072Q	1 year
4	Mohd. Idrees, Proprietor of Tirupati Enterprises	AASPI4395Q	1 year
5	Momin Jahan, Proprietor of Jahan Enterprises	BNKPJ7050D	1 year
6	Mujaffar Khan, Proprietor of Shiv Enterprises	EGSPK2609R	1 year
7	Rajesh Pal	DVGPP1959H	1 year
8	Hari Om Singh	BGBPS4181A	1 year
9	Manish Kumar	AMWPK4668G	1 year
10	Vijay Prakash Gupta, Proprietor of Aashi Traders	ANCPV2725J	1 year
11	Vivek Kumar Varshney	AWTPV7908B	1 year
12	Heena Khatoon, Proprietor of Heena Enterprises	FGXPK5721G	1 year

National Stock Exchange of India

Sr. No	Name of Entity	PAN	Time period
13	Anju Devi, Proprietor of Shree Balaji Enterprises	BHGPD3597M	1 year
14	Pradeep Narendra Bhatt	AGSPB0964C	18 Months
15	Vijay Pujara	AGXPP5209R	2 year
16	Ajaykumar Pujara	APLPP9651E	1 year
17	Natvarbhai Vegda	ALBPV4522G	3 Months

Further, SEBI vide above order has directed that if the above entity have any open positions, if any, of the above entities are restrained/prohibited in the present Order, in the F&O segment of the recognized stock exchange(s), are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

The detailed order is available on SEBI website (https://www.sebi.gov.in/enforcement/orders/nov-2024/order-in-the-matter-of-continental-seeds-and-chemicals-limited_89155.html).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

For and on behalf of
National Stock Exchange of India Limited

Mihir Nisar
Manager

Annexure: SEBI Order In the matter of Continental Seeds and Chemicals Limited

QJA/AA/IVD-1/ID5/31035/2024-25

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 11(1), 11(4), 11(4A), 11B(1), 11B(2) read with Sections 15HA, 15A(a) and 15A(b) of the SEBI Act, 1992

In respect of

Noticee	Name of Noticee	PAN
1	Praveen Rastogi	AEEPR1283A
2	Sachin Rastogi	ANOPR3507J
3	Praveen Aroma Pvt. Ltd.	AAGCP0072Q
4	Continental Seeds and Chemicals Ltd	AAACC2341R
5	Mohd. Idrees, Proprietor of Tirupati Enterprises	AASPI4395Q
6	Momin Jahan, Proprietor of Jahan Enterprises	BNKPJ7050D
7	Mujaffar Khan, Proprietor of Shiv Enterprises	EGSPK2609R
8	Rajesh Pal	DVGPP1959H
9	Hari Om Singh	BGBPS4181A
10	Manish Kumar	AMWPK4668G
11	Vijay Prakash Gupta, Proprietor of Aashi Traders	ANCPV2725J
12	Vivek Kumar Varshney	AWTPV7908B
13	Heena Khatoon, Proprietor of Heena Enterprises	FGXPK5721G
14	Anju Devi, Proprietor of Shree Balaji Enterprises	BHGPD3597M
15	Pradeep Narendra Bhatt	AGSPB0964C
16	Vijay Pujara	AGXPP5209R
17	Ajaykumar Pujara	APLPP9651E
18	Natvarbhai Vegda	ALBPV4522G

(The aforementioned persons are collectively referred to as Noticees)

In the matter of Continental Seeds and Chemicals Limited

A. BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) conducted an investigation into the trading activities of certain entities in the scrip of Continental Seeds and Chemicals Ltd. (hereinafter referred to as **CSCL**). The investigation was conducted for the period December 05, 2019 to February 05, 2020 (hereinafter

referred to as **Investigation Period** or **IP**) to ascertain whether there was any violation of provisions of the SEBI Act, 1992 (hereinafter referred to as the **SEBI Act**) and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as **PFUTP Regulations**). Pursuant to the investigation, it was alleged that Praveen Rastogi (hereinafter referred to as Noticee 1) orchestrated a fraudulent scheme to manipulate volume and price of CSCL shares thereby enabling the sale of shares at inflated prices to unsuspecting investors.

B. BRIEF SUMMARY OF FACTS OF THE CASE

2. A brief summary of the facts of the case and allegations against the Noticees are given below:

Case Facts

2.1. CSCL was incorporated on June 22, 1983. Its registered office is A-33, Upper Ground Floor, F.I.E.E. Complex Okhla Industrial Estate, Phase II, New Delhi 110020. The company is engaged in the business of developing, processing, grading and supplying of all kinds of agricultural foundation and certified seeds and trading in Mentha Oil. Shares of CSCL were listed on NSE SME Platform on April 04, 2018.

2.2. During the investigation period, the price of the scrip significantly increased from close price of Rs.12.90 on December 05, 2019 to close price of Rs.98.60 on February 05, 2020, i.e., the price increased by 664.34%. The tradeable market lot size for CSCL was 4,000 shares during IP[1].

2.3. The investigation alleges that Praveen Rastogi, Managing Director of CSCL, orchestrated the entire fraudulent scheme wherein through his two companies – CSCL and Praveen Aroma Private Limited (PAPL)[2] – and through layers of his 5 connected entities – Tirupati Enterprises (Proprietor Mohd. Idrees), Shiv Enterprises (Proprietor Mujaffar Khan), Jahan Enterprises (Proprietor Momin Jahan), Heena Enterprises (Proprietor Heena Khatoon) and Shree Balaji Enterprises (Proprietor Anju Devi), Praveen Rastogi is alleged to have provided funds for the initial cost of acquisition of shares of CSCL to 4 net sellers, viz.,

[1] *The closing price of CSCL share on November 27, 2024 was Rs. 41.40.*

[2] *As per the website of PAPL, it was established in 2003 and is a supplier of natural menthol, mint oil and its derivatives.*

Hari Om Singh, Manish Kumar, Rajesh Pal and Vijay Prakash Gupta, and also provided funds to Pradeep Narendra Bhatt.

2.4. Further, the investigation alleges that the trading accounts of Anurudhkumar Yadav, Keyur Parmar, Dinesh Thakur, Ritu Mehta, Shibakumar Tyagi, Anand Soni, Dhaval Gadani and Sharda Sharma are those of front entities/mule accounts opened by Vijay Pujara (hereinafter, these 8 accounts have been referred to as the Mule Accounts (**MAs**)). Additionally, it is alleged that Vijay Pujara with the help of his brother Ajaykumar Pujara and peon Natvarbhai Vegda, traded and manipulated the price and volume of the scrip of CSCL.

2.5. With respect to the alleged manipulation, the role and connections among the 18 Noticees, as alleged during the investigation, are summarised in the following table:

Table 1: Role of Noticees and connections with other Noticees

Noticee	Noticee Name	Role and Connections
1	Praveen Rastogi	a. Promoter and Managing Director (MD) of CSCL. b. Director and promoter of PAPL. c. Funds transferred from PAPL to Pradeep Narendra Bhatt, Mohd. Idrees (Proprietor of Tirupati Enterprises) and Vijay Prakash Gupta (through his proprietary firm Aashi Traders). d. Funds transferred from CSCL to Heena Khatoon (Proprietor of Heena Enterprises) and Anju Devi (Proprietor of Shree Balaji Enterprises). e. Praveen Rastogi entered into rental agreement with Mohd. Idrees (Proprietor of Tirupati Enterprises), Momin Jahan (Proprietor of Jahan Enterprises) and Mujaffar Khan (Proprietor of Shiv Enterprises) for renting out warehouse premises of CSCL. f. As per Call Data Records (CDR) analysis, calls were made between Praveen Rastogi

Noticee	Noticee Name	Role and Connections
		and Hari Om Singh and Manish Kumar during the period October 2022 to March 2023. g. Praveen Rastogi has signed on behalf of PAPL as introducer in the account opening form of Heena Enterprises held in Canara Bank. h. Praveen Rastogi has signed as witness to nomination made by Rajesh Pal in account opening form held in SBI. i. As per Board Resolution dated February 22, 2016 obtained from HDFC Bank, Praveen Rastogi is one of the authorized signatories to operate the bank a/c XXXX XXXX XX 8606 of CSCL.
2	Sachin Rastogi	a. Director and promoter of CSCL b. Director of PAPL since September 10, 2018. c. Sachin Rastogi shares common mobile number XXXXXX5434 with net seller Manish Kumar. a. Net seller Hari Om Singh shares common mobile number XXXXXX1940 with Satya Narayan Pathak and Customer Application Form (CAF) of Satya Narayan Pathak shows Sachin Rastogi as his local reference. d. As per Board Resolution dated February 22, 2016 obtained from HDFC Bank, Sachin Rastogi is one of the authorized signatories to operate the bank a/c XXXX XXXX XX 8606 of CSCL.
3	PAPL	a. Sister concern of CSCL b. As per list of shareholders of PAPL as on March 31, 2020 obtained from Ministry of

Noticee	Noticee Name	Role and Connections
		Corporate Affairs (MCA), Praveen Rastogi holds 91.73% of total shareholding of PAPL. c. PAPL transferred funds to Mohd. Idrees (Tirupati Enterprises), Aashi Traders (Proprietory firm of Vijay Prakash Gupta) and Pradeep Narendra Bhatt. d. PAPL received funds from Aashi Traders.
4	CSCL	a. Praveen Rastogi is MD of CSCL. b. CSCL transferred funds to Pradeep Narendra Bhatt through Anju Devi (Proprietor of Shree Balaji Enterprises) and Heena Khatoon (Proprietor of Heena Enterprises).
5	Mohd. Idrees, proprietor of Tirupati Enterprises	a. Mint oil supplier for PAPL. b. Father of Mujaffar Khan. c. Spouse of Momin Jahan. d. Praveen Rastogi entered into rental agreement with Tirupati Enterprises for renting out warehouse premises of CSCL. e. Funds received from PAPL and Hari Om Singh. f. Funds transferred to Momin Jahan (Proprietor of Jahan Enterprises), Mujaffar Khan (Proprietor of Shiv Enterprises), Hari Om Singh, Manish Kumar and Rajesh Pal.
6	Momin Jahan, proprietor of Jahan Enterprises	a. Spouse of Mohd. Idrees. b. Mother of Mujaffar Khan. c. Praveen Rastogi entered into rental agreement with Jahan Enterprises for renting out warehouse premises of CSCL. d. Funds transferred to and received from Manish Kumar.

Noticee	Noticee Name	Role and Connections
7	Mujaffar Khan, proprietor of Shiv Enterprises	a. Son of Mohd. Idrees and Momin Jahan. b. Independent Director of CSCL from November 01, 2017 to September 18, 2018. c. Praveen Rastogi entered into rental agreement with Shiv Enterprises for renting out warehouse premises of CSCL. d. Funds transferred to Hari Om Singh.
8	Rajesh Pal	a. Proprietor of Rajesh Enterprises. b. Praveen Rastogi has signed as witness to nomination made by Rajesh Pal in account opening form held in SBI. c. Funds received from Tirupati Enterprises. d. Funds transferred to and received from Heena Enterprises. e. Shares common mobile number XXXXXX4864 with Shiv Enterprises, Tirupati Enterprises and Jahan Enterprises. f. Shares common mobile number XXXXXX9083 with Vijay Prakash Gupta as observed in account opening form held in Bhaijee Portfolio Ltd.
9	Hari Om Singh	b. Shares common email ID vivekvr08@gmail.com with Vivek Kumar Varshney, part of promoter group of CSCL. c. Shares common mobile number XXXXXX1940 with Satya Narayan Pathak. CAF of Satya Narayan Pathak shows Sachin Rastogi, promoter and director of CSCL and director of PAPL, as his local reference. d. Funds received from Mujaffar Khan (Proprietor of Shiv Enterprises).

Noticee	Noticee Name	Role and Connections
		e. Funds transferred to Mohd. Idrees (Proprietor of Tirupati Enterprises). f. Funds transferred to and received from Heena Khatoon (Proprietor of Heena Enterprises). g. From CDR analysis, calls were made between Praveen Rastogi and Hari Om Singh during the period October 2022 to March 2023.
10	Manish Kumar	a. Shares common email id s****p.up@gmail.com with Anju Devi, proprietor of Shree Balaji Enterprises. b. Shares common mobile number XXXXXX5434 with Sachin Rastogi, director of CSCL and PAPL. c. Calls were made between Praveen Rastogi and Manish Kumar during the period October 2022 to March 2023.
11	Vijay Prakash Gupta, proprietor of Aashi Traders	a. Funds received from and transferred to PAPL through his proprietary firm Aashi Traders. b. Shares common mobile number XXXXXX9083 with Rajesh Pal as observed in account opening form held in Bhaijee Portfolio Ltd.
12	Vivek Kumar Varshney	a. Brother-in-law of Praveen Rastogi. b. Son of Anju Devi. c. Part of promoter group of CSCL. d. Shares common email ID v*******8@gmail.com with Hari Om Singh.
13	Heena Khatoon, proprietor of Heena Enterprises	a. Praveen Rastogi has signed on behalf of PAPL as introducer in the account opening form of Heena Enterprises held in Canara Bank. b. Transferred funds to Pradeep Narendra Bhatt.

Noticee	Noticee Name	Role and Connections
		c. Transferred to and received funds from Hari Om Singh, Manish Kumar and Rajesh Pal.
14	Anju Devi, proprietor of Shree Balaji Enterprises	a. Anju Devi is the mother-in-law of Praveen Rastogi and mother of Vivek Kumar Varshney. b. Transferred funds to Pradeep Narendra Bhatt. c. Shares common email id s****p.up@gmail.com with Manish Kumar.
15	Pradeep Narendra Bhatt	a. Funds received from and transferred to PAPL. b. Funds received from Heena Enterprises and Shree Balaji Enterprises. c. Calls were made between Pradeep Narendra Bhatt and Vijay Pujara on April 18, 2022, April 19, 2022 and June 22, 2022.
16	Vijay Pujara	a. Introducer for the trading account of Dinesh Thakur (MA1) and Keyur Parmar (MA2) held in MNM Stock Broking Pvt Ltd. b. Signed as witness to nomination of Ritu Mehta (MA3) observed in account opening form held in MNM Stock Broking Pvt Ltd. c. From bank statement, fund transfers were observed from Vijay Pujara to MA1, Sharda Sharma (MA4), Dhaval Gadani (MA5) and Anurudhkumar Yadav (MA6). d. Media Access Control (MAC) Address used by Vijay Pujara to trade across all scrips match with the MAC addresses used for trading across scrips by MA3, MA6, MA2 and Shibakumar Tyagi (MA7). e. MA8 shares common mobile number xxxxxx0754 with MA3, MA4, MA5 and MA6.

Noticee	Noticee Name	Role and Connections
		Further, fund transfers were observed of MA8 with MA3 and MA6. f. Brother of Ajaykumar Pujara. g. Calls were made between Pradeep Narendra Bhatt and Vijay Pujara on April 18, 2022, April 19, 2022 and June 22, 2022.
17	Ajaykumar Pujara	a. Authorized person for trading accounts of MA2 and MA3 held in Tradebulls Securities Pvt Ltd. b. Spouse of Jignaben Pujara who is the authorized person for trading accounts of MA2, MA3 and MA6 held in Patel Wealth Advisors Pvt Ltd. c. Deposited cash in the bank accounts of MA2, MA3, MA5, MA6 and MA7.
18	Natvarbhai Vegda	a. Peon of Vijay Pujara. b. Deposited cash in the bank accounts of MA5, MA2, MA6, MA3 and MA7.

2.6. Further, the investigation alleges that the fraudulent activities of the Noticees resulted in the generation of wrongful gains as mentioned in the table below:

Table 2: Alleged wrongful gains by certain Noticees

Sl. No.	Entity Name	Amount (in Rs.)
1	Hari Om Singh	38,04,800
2	Manish Kumar	40,18,000
3	Rajesh Pal	84,22,400
4	Vijay Prakash Gupta	19,79,600
5	Vivek Kumar Varshney	37,45,200
6	Pradeep Narendra Bhatt	4,23,200
7	Vijay Pujara	24,200
	Total	**2,24,17,400**

C. SHOW CAUSE NOTICE

3. Consequent to the completion of investigation in the matter, a common Show Cause Notice (SCN) dated February 28, 2024 was issued to the abovementioned 18 Noticees. In the said SCN, the following allegations have been made against the Noticees:

3.1. Pradeep Narendra Bhatt, through his trades and trades of front entities/mule accounts of his connected person Vijay Pujara, manipulated the price and volume of the scrip of CSCL in order to provide exit to the net sellers (Rajesh Pal, Hari Om Singh, Manish Kumar, Vivek Kumar Varshney and Vijay Prakash Gupta) who took advantage of price rise to offload their shares and transferred part of the proceeds to the connected entities of Praveen Rastogi. Hence, it is alleged that Pradeep Narendra Bhatt violated the provisions of Section 12A(a), (b) and (c) of SEBI Act and regulations 3(a), (b), (c), (d), 4(1) and 4(2)(e) of the PFUTP Regulations.

3.2. The funds were provided from CSCL to Pradeep Narendra Bhatt through Heena Enterprises (Proprietor Heena Khatoon) and Shree Balaji Enterprises (Proprietor Anju Devi). Therefore, it is alleged that CSCL is part of the fraudulent scheme and committed an act of fraud as defined in regulation 2(1)(c) of the PFUTP Regulations and thereby violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d), 4(1) and 4(2)(d) of the PFUTP Regulations read with Section 67(2) of the Companies Act, 2013.

3.3. Further, it is alleged that Pradeep Narendra Bhatt's connected entity, namely, Vijay Pujara, with the help of his brother Ajaykumar Pujara and peon Natvarbhai Vegda manipulated the price and volume of the scrip of CSCL and thereby, they violated the provisions of Section 12A(a), (b) and (c) of SEBI Act and regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (e) and (g) of the PFUTP Regulations.

3.4. Additionally, it is alleged that by virtue of being the directors of CSCL and authorised signatories to operate the bank account of CSCL from which funds were transferred to Pradeep Narendra Bhatt and in terms of Section 27(1) of the SEBI Act, Praveen Rastogi and Sachin Rastogi are liable for the violations committed by CSCL. Therefore, it is alleged that Praveen Rastogi and Sachin Rastogi committed an act of fraud as defined in regulation 2(1)(c) of PFUTP Regulations and violated the provisions of Section 12A(a), (b) and (c) of the SEBI

Act and regulations 3(a), (b), (c), (d), 4(1) and 4 (2)(d) of the PFUTP Regulations read with Section 27(1) of SEBI Act.

3.5. It is alleged that PAPL, Heena Khatoon (Proprietor of Heena Enterprises), Anju Devi (Proprietor of Shree Balaji Enterprises), Mohd. Idrees (Proprietor of Tirupati Enterprises), Momin Jahan (Proprietor of Jahan Enterprises) and Mujaffar Khan (Proprietor of Shiv Enterprises) committed an act of fraud as defined in regulation 2(1)(c) of the PFUTP Regulations and violated the provisions of Section 12A(a), (b) and (c) of SEBI Act, 1992 and regulations 3(a), (b), (c), (d), 4(1) and 4(2)(d) of PFUTP Regulations. It is also alleged that Mohd. Idrees refused to accept summons for statement recording and hence, hampered the investigation in violation of Section 11C(5) of SEBI Act, 1992. Further, it is alleged that Momin Jahan and Mujaffar Khan did not respond to the summons issued for production of documents and thus violated the provisions of Section 11C(3) of the SEBI Act.

3.6. It is alleged that Vivek Kumar Varshney who is part of the promoter group of CSCL took advantage of the aforementioned fraudulent scheme and sold 44,000 shares of CSCL during IP and violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations. Also, it is alleged that Vivek Kumar Varshney, part of promoter group of CSCL, violated the provisions of Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 by not intimating the Stock Exchange about the details of sale of 44,000 shares of CSCL. Additionally, it is alleged that Vivek Kumar Varshney did not respond to the summons issued for production of documents and for personal appearance before the Investigating Authority and thus violated the provisions of Section 11C(3) and 11C(5) of the SEBI Act.

3.7. It is alleged that the net sellers, viz., Rajesh Pal, Hari Om Singh, Manish Kumar and Vijay Prakash Gupta, violated the provisions of Section 12A(a), (b) and (c) of SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations. Also, it is alleged that Rajesh Pal did not respond to the summons issued for production of documents and for personal appearance before the Investigating Authority and thus violated the provisions of Section 11C(3) and 11C(5) of the SEBI Act.

4. In view of the allegations made, the Noticees were called upon to show cause as to

why appropriate directions under Sections 11(4) and 11B(1) read with Section 11(1) of the SEBI Act, including directions to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly, in any manner whatsoever, for a particular period should not be issued against them for the alleged violations and why directions for disgorgement of the wrongful gain of Rs. 2,24,17,400 should not be issued against them. Also, the Noticees were called upon to show cause as to why appropriate directions to levy penalty under Section 11(4A) and 11B(2) read with Section 11(1) and Section 15HA of the SEBI Act and Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be imposed on them for the alleged violations. Additionally, Noticees 5, 6, 7, 8 and 12 were called upon to show cause as to why appropriate directions to levy penalty under Section 11(4A) and 11B(2) read with Section 11(1) and Section 15A(a) and 15A(b) (only applicable to Noticee 12) of the SEBI Act and Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be imposed on them for the alleged violations.

D. SERVICE OF SCN, INSPECTION OF DOCUMENTS, CROSS-EXAMINATION, PERSONAL HEARING, REPLIES AND WRITTEN SUBMISSIONS FROM THE NOTICEES

5. The SCN dated February 28, 2024 was sent to the Noticees on the addresses available on record. Pursuant to the issuance of SCN, replies on merits were received from 12 Noticees. I further note that certain Noticees had sought additional documents. The details with respect to the date of replies received from the Noticees and dates of providing documents are as under:

Table 3: Summary of SCN related correspondence with Noticees

Noticee	Noticee Name	Date of replies
1	Praveen Rastogi	March 21, 2024, June 02, 2024, October 10, 2024 Documents provided on April 02, 2024
2	Sachin Rastogi	March 21, 2024, June 02, 2024, October 10, 2024 Documents provided on April 02, 2024
3	PAPL	March 22, 2024, June 03, 2024, October 10, 2024 Documents provided on April 02, 2024
4	CSCL	March 21, 2024, June 02, 2024, October 10, 2024

Noticee	Noticee Name	Date of replies
		Documents provided on April 02, 2024
5	Mohd. Idrees, proprietor of Tirupati Enterprises	SCN cum Hearing Notice served through newspaper publication on June 20, 2024 and July 05, 2024, respectively. First reply seeking more time received on October 01, 2024 but no reply thereafter
6	Momin Jahan, proprietor of Jahan Enterprises	
7	Mujaffar Khan, proprietor of Shiv Enterprises	
8	Rajesh Pal	SCN cum Hearing Notice served through newspaper publication on June 20, 2024 and July 05, 2024, respectively. No reply received.
9	Hari Om Singh	Reply dated April 09, 2024 and June 06, 2024 received. Documents provided vide letter dated May 17, 2024 and September 24, 2024. No reply received thereafter.
10	Manish Kumar	Reply dated April 10, 2024 and June 14, 2024 received. Documents provided vide letter dated May 17, 2024 and September 24, 2024. No reply received thereafter.
11	Vijay Prakash Gupta	Responded to SEBI vide emails dated July 25, 2024, August 14, 2024 and September 28, 2024 only seeking time to file reply but no reply on merits.
12	Vivek Kumar Varshney	Reply dated April 16, 2024 and June 03, 2024 Documents provided vide letter dated May 17, 2024 and September 24, 2024.

Noticee	Noticee Name	Date of replies
		No reply thereafter.
13	Heena Khatoon, proprietor of Heena Enterprises	SCN cum Hearing Notice served through newspaper publication on June 20, 2024 and July 05, 2024, respectively. No reply received.
14	Anju Devi, proprietor of Shree Balaji Enterprises	Reply dated April 15, 2024 and June 03, 2024 seeking more documents. Documents provided vide letter dated May 17, 2024 and September 24, 2024. No reply received thereafter.
15	Pradeep Narendra Bhatt	Reply dated March 14, 2024. Documents provided on March 15, 2024 and May 17, 2024. Unsigned letter dated June 21, 2024 submitted by his Authorised Representative.
16	Vijay Pujara	Responded to SEBI vide emails dated July 28, 2024 and September 17, 2024. Reply dated September 20, 2024 and October 14, 2024 received.
17	Ajaykumar Pujara	Responded to SEBI vide emails dated June 03, 2024, June 20, 2024, August 22, 2024, August 25, 2024, September 17, 2024. Reply dated September 13, 2024 received
18	Natvarbhai Vegda	Responded to SEBI vide emails dated June 24, 2024, July 19, 2024, July 27, 2024. Reply dated October 09, 2024 received

6. Thereafter, in compliance with the principles of natural justice, opportunity of hearing was provided to all the Noticees, details of which are tabulated below:

Table 4: Hearing and cross-examination related summary pertaining to Noticees

Noticee	Noticee Name	Details
1	Praveen Rastogi	Hearing was scheduled on June 20, 2024. However, vide letter dated June 02, 2024, the Noticees requested cross-examination of Noticees 9, 10 and 15. Accordingly, cross-examinations were scheduled on June 19, 2024. However, based on the request of Noticees 1 to 4, vide emails dated June 18, 2024 and July 01, 2024, respectively, the cross-examination was first postponed to July 02, 2024 and then to July 24, 2024. As Noticees 9 and 10 who were to be cross-examined did not make themselves available for cross-examination, the opportunity to cross-examine them was closed on July 24, 2024. However, as Noticee 15 had requested for another date to be present for cross-examination, the cross-examination of Noticee 15 was scheduled on August 02, 2024 but as Noticee 15 did not appear as witness even on August 02, 2024, the opportunity to cross-examine Noticee 15 was closed. Subsequently, an opportunity of hearing for the Noticees was scheduled on August 13, 2024. However, based on the requests of the Noticees, vide emails dated August 09, 2024, August 21, 2024 and September 03, 2024, the hearing was postponed to August 22, 2024, September 05, 2024 and September 17, 2024, respectively. The hearing was held on September 17, 2024 wherein Profess Law Associates, the Authorized Representative of Noticees 1 to 4 made submissions. The
2	Sachin Rastogi	
3	PAPL	
4	CSCL	

Noticee	Noticee Name	Details
		Noticees were directed to make additional submissions by October 01, 2024. Written submissions were received on October 10, 2024.
5	Mohd. Idrees, proprietor of Tirupati Enterprises	Hearing was scheduled on June 21, 2024 and July 25, 2024. SCN cum Hearing Notice was served through newspaper publication on June 20, 2024 and July 05, 2024, respectively**.** The entities did not appear for hearing but vide letter dated October 01, 2024 sought time to file reply. Noticees were granted time till October 12, 2024 but no reply was received thereafter.
6	Momin Jahan, proprietor of Jahan Enterprises	
7	Mujaffar Khan, proprietor of Shiv Enterprises	
8	Rajesh Pal	Hearing was scheduled on June 21, 2024 and July 25, 2024. SCN cum Hearing Notice was served through newspaper publication on June 20, 2024 and July 05, 2024, respectively**.** The entity did not appear for hearing.
9	Hari Om Singh	Hearing was scheduled on June 21, 2024 and August 13, 2024 and notice of hearing was sent through email dated June 04, 2024 and July 12, 2024, respectively, to the email ids from which they had responded to SCN. The entities did not appear for hearing. The request for cross-examination could not be acceded to as the Noticees did not specify the names of the entities they wanted to cross-examine despite being specifically asked by SEBI.
10	Manish Kumar	
11	Vijay Prakash Gupta	The hearing was scheduled on June 20, 2024 and July 25, 2024. The SCN cum Hearing Notice was served through email dated June 06, 2024 and

Noticee	Noticee Name	Details
		newspaper publication on July 11, 2024. However, based on the requests of the Noticee, vide email dated July 25, 2024 and August 14, 2024, the hearing was rescheduled to August 13, 2024 and August 22, 2024. However, the Noticee did not appear for hearing.
12	Vivek Kumar Varshney	Hearing was scheduled on June 21, 2024 and August 13, 2024 vide email dated June 04, 2024 and July 12, 2024, respectively, to the email id from which he had responded to SCN. The entity did not appear for hearing.
13	Heena Khatoon, proprietor of Heena Enterprises	Hearing was scheduled on June 21, 2024 and July 25, 2024. SCN cum Hearing Notice was served through newspaper publication on June 20, 2024 and July 05, 2024, respectively**.** The entity did not appear for hearing.
14	Anju Devi, proprietor of Shree Balaji Enterprises	Hearing was scheduled on June 21, 2024 and August 13, 2024 vide email dated June 04, 2024 and July 12, 2024, respectively to the email id from which she had responded to SCN. The entity did not appear for hearing. The request for cross-examination could not be acceded to as the Noticee did not specify the names of the entities she wanted to cross-examine.
15	Pradeep Narendra Bhatt	The hearing was scheduled on June 20, 2024. However, based on the request of the Noticee, the hearing was rescheduled and held on June 21, 2024. During the hearing, R V Legal, the Authorized Representative of the Noticee, made some oral submissions and unsigned written submissions that were to be followed by final submissions. However, no additional

Noticee	Noticee Name	Details
		submissions were made by the Noticee post the hearing.
16	Vijay Pujara	The hearing was scheduled on June 20, 2024 and July 25, 2024. The SCN cum Hearing Notice was served through email on June 04, 2024 and newspaper publication on July 11, 2024. However, based on the requests of the Noticee, vide emails dated July 28, 2024, August 09, 2024, August 21, 2024 and September 03, 2024, the hearing was rescheduled to August 13, 2024, August 22, 2024, September 05, 2024 and September 17, 2024, respectively. However, the Noticee again requested for postponement of hearing and the Noticee was advised to make written submissions by September 20, 2024. Hearing was held on October 01, 2024 wherein Jitendra Sharda of Jitendra Sharda & Associates the Authorised representative for the Noticee made submissions.
17	Ajaykumar Pujara	Hearing was scheduled on June 20, 2024 and August 13, 2024 vide email dated June 04, 2024 and July 12, 2024, respectively. However, the Noticee, vide email dated August 22, 2024, requested for cross-examination of all entities and additional documents. The additional documents were sent to the Noticee and two opportunities of hearing were granted to the Noticee on August 26, 2024 and September 04, 2024 with respect to his request for cross-examination. As the Noticee, did not appear for the said hearings, the Noticee was provided an opportunity of hearing on September 17, 2024. However, the Noticee again

Noticee	Noticee Name	Details
		requested for postponement of hearing and the Noticee was advised to make written submissions by September 20, 2024. Hearing was held on October 01, 2024 wherein Jitendra Sharda of Jitendra Sharda & Associates, the Authorised representative for the Noticee made submissions..
18	Natvarbhai Vegda	Hearing was scheduled on June 20, 2024 and August 13, 2024 vide email dated June 04, 2024 and July 12, 2024, respectively. However, on June 24, 2024, the Noticee requested for SCN in Hindi/Gujarati. The Noticee was advised to take help from his lawyer and file reply by July 27, 2024. In this regard, the Noticee, vide email dated July 27, 2024, requested for a hearing date wherein he would make his written and oral submissions. Accordingly, the hearing for the Noticee was scheduled on August 13, 2024. However, vide email dated September 17, 2024, Advocate Shivam Parikh (the Noticee's Authorised Representative appointed on September 17, 2024 itself) requested for time to file reply. Accordingly, the Noticee was provided time till October 01, 2024 to make written submissions and hearing was held on October 10, 2024.

7. In view of the above discussions, I find that the principles of natural justice have been complied with adequately in the present matter and the matter is fit to be proceeded with based on the material available on record. The submissions made by the relevant Noticees are detailed in the following relevant paragraphs where each issue is considered to determine whether the Noticees have violated the alleged provisions

of law.

E. CONSIDERATION OF ISSUES AND FINDINGS

8. Having carefully examined all the information available on record, viz., the SCN, investigation report and written and oral submissions put forth by the relevant Noticees/their Authorized Representatives during the course of personal hearing, the issues under consideration before me are as under:

   8.1. **Issue 1:** Whether the alleged entities are connected and whether Noticee 1 orchestrated a fraudulent scheme to manipulate volume and price of CSCL shares thereby enabling the sale of shares at inflated prices to unsuspecting investors?

   8.2. **Issue 2:** If yes, then have the Noticees violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act and regulation 3(a), 3(b), 3(c), 3(d) and 4 of the PFUTP Regulations along with other regulatory violations as alleged in the SCN against each of the Noticees?

   8.3. **Issue 3:** Do the violations, if any, attract action, including disgorgement of alleged unlawful gains, under the Sections 11(4), 11(4A), 11B(1) and 11B(2) read with Section 11(1) of the SEBI Act?

   8.4. **Issue 4:** Do the violations, if any, attract monetary penalty under Section 15HA, 15A(a) and 15A(b) of the SEBI Act?

9. Before dealing with the issues at hand, I deem it apposite to refer to the relevant provisions of law alleged to have been violated in the matter, extracts whereof are reproduced below:

   "***SEBI Act, 1992***

   Investigation

   11C.(1)…

   (2) …

   (3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.

   (4)….

(5) Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A: No person shall directly or indirectly

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Section 27 of the SEBI Act, 1992

(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

SEBI (PFUTP) Regulations, 2015

Regulation 3: Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

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

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

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

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

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities

through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities;

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;

PIT Regulations

Disclosures by certain persons.

7. (1)…..
(a)….
(b)….

(2) Continual Disclosures.
(a). Every promoter [, member of the promoter group], [designated person] and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

Companies Act, 2013

CHAPTER IV
SHARE CAPITAL AND DEBENTURES

67. Restriction on purchase by company or giving of loans by it for purchase of its shares.
(1)….
(2) No public company shall give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company."

10. I now proceed to deal with all the issues with respect to the role and connections among Noticees one by one.

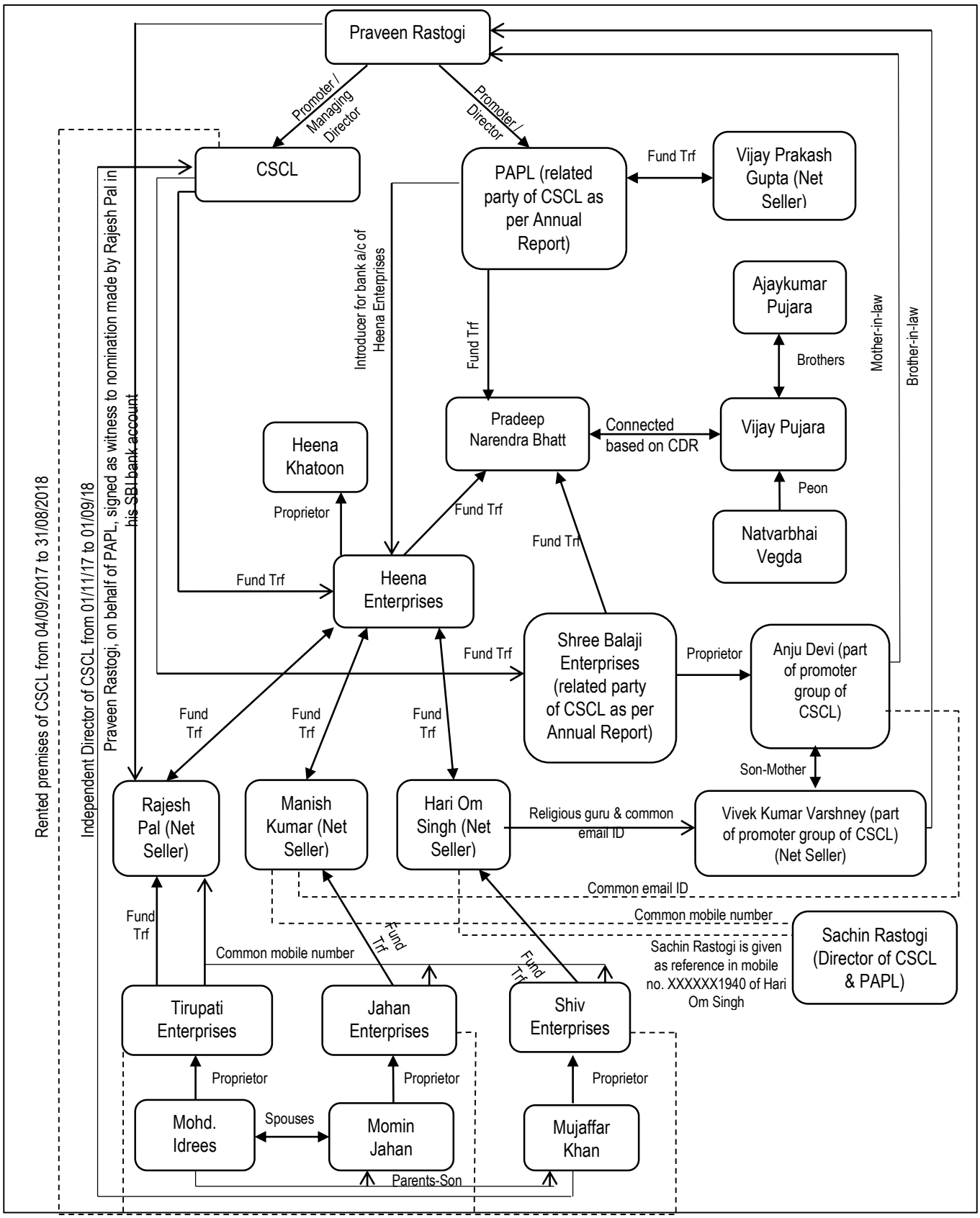
Issue 1: Whether the alleged entities are connected and whether Noticee 1 orchestrated a fraudulent scheme to manipulate volume and price of CSCL shares thereby enabling the sale of shares at inflated prices to unsuspecting investors?

Allegations in the SCN

11. Based on an analysis of the KYC, account opening forms, bank statements and call data records of the Noticees, the SCN has alleged that the Noticees and the MAs are connected based on the factual connections stated at Table 1 of this Order. For ease of understanding, a diagrammatical representation of the factual connections among the Noticees and MAs is provided in the following chart:

(space intentionally left blank)

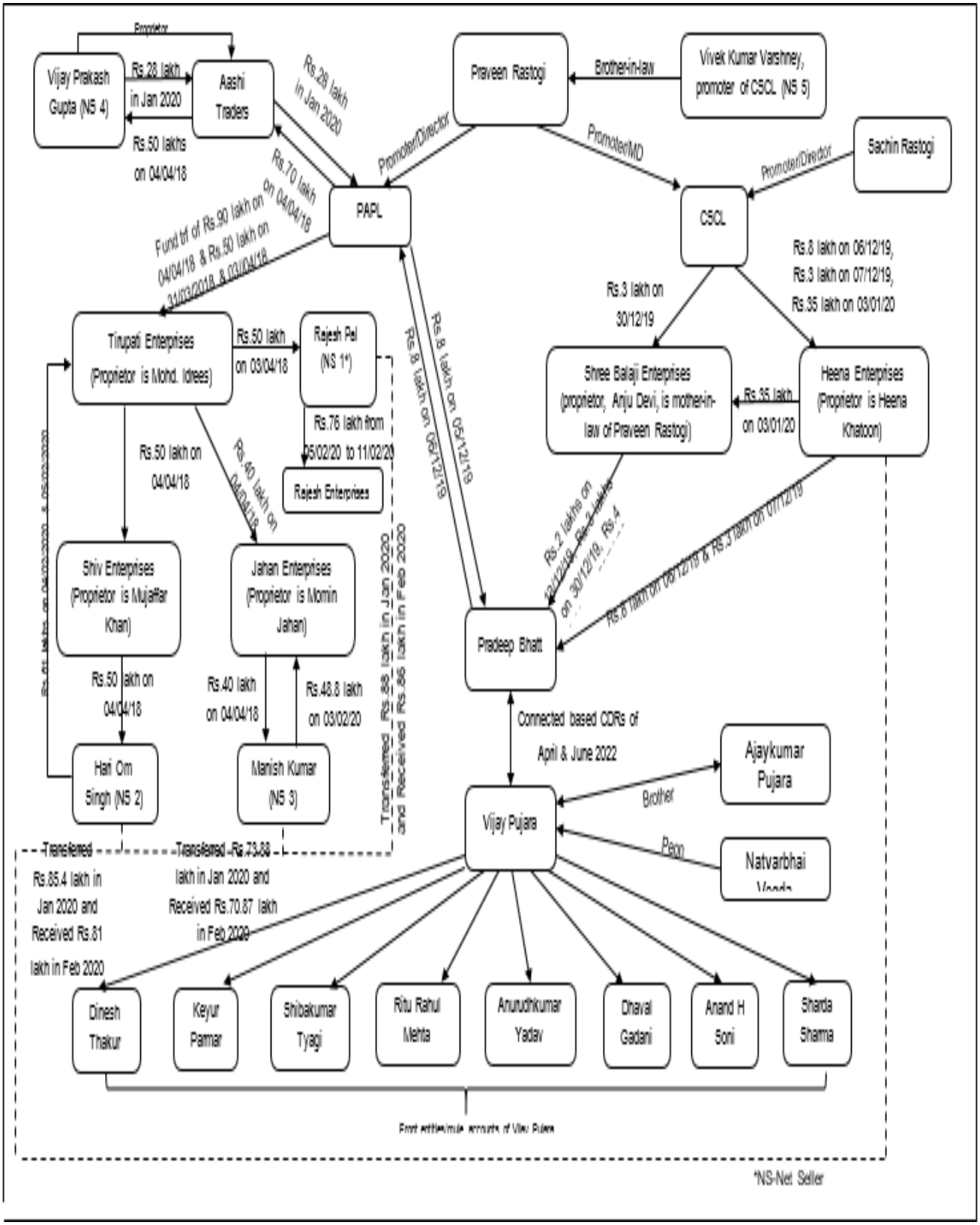
Chart 1



12. Additionally, the investigation has noted that Heena Khatoon (Proprietor of Heena

Enterprises) is business supplier/purchaser of CSCL and PAPL. Further, a diagrammatical representation of fund transfers among the Noticees is as below:

Chart 2



13. Based on the abovementioned connections, fund transfers and trading details of Noticees, the SCN has alleged that the Noticees together devised a fraudulent scheme with the help of 8 MAs to manipulate volume and price of CSCL shares.

Submissions of the Noticees and Findings

14. As the entire allegations are based on a web of connections and fund transfers, I deal with allegations and submissions with respect to connections and transactions between different set of entities one by one.

Connection between Noticees 1 to 4 (Praveen Rastogi, Sachin Rastogi, PAPL and CSCL) and Noticees 13 (Heena Khatoon, Proprietor of Heena Enterprises) and 14 (Anju Devi, Proprietor of Shree Balaji Industries)

Allegations

15. It is alleged that Praveen Rastogi (Promoter of CSCL) transferred funds from CSCL to Pradeep Narendra Bhatt through Heena Enterprises (Proprietor Heena Khatoon) and Shree Balaji Enterprises (Proprietor Anju Devi) to trade in the scrip of CSCL. Sachin Rastogi is the brother of Praveen Rastogi and is also the director of CSCL and PAPL. Further, it is stated that Noticee 14 is the mother-in-law of Noticee 1.

Submissions of Noticees 1 to 4 with respect to connection between Noticees 13 and 14

16. Noticees 1 to 4 have made the following submissions with respect to their connection with Noticees 13 and 14:
    - 16.1. Shree Balaji Enterprises is a vendor of PAPL and Shree Balaji Enterprises and Heena Enterprises are buyers of PAPL products. CSCL has been purchasing Mentha Oil from Heena Enterprises and supplying food grains to Heena Enterprises.
    - 16.2. The alleged transactions between CSCL and Shree Balaji Enterprises and Heena Enterprises were business transactions with one way transfer of funds.
    - 16.3. Further, Heena Enterprises is registered with GST authorities and all payments are backed by supply of products by/to CSCL's clients which is duly uploaded on GST portal. These supplies had been taxable at the rate of 12% as per GST laws and same had been paid by CSCL.

16.4. All the transactions of PAPL with their vendors/customers are supported by GST payments. SEBI has cherry-picked financial entries with respect to business transactions taken place between CSCL and Shree Balaji and Heena Enterprises despite the same being continuous in nature and running entries are recorded in ledger statement and bank statement. CSCL has submitted relevant invoices/bills of supply raised by CSCL and raised by Shree Balaji Enterprises upon each other, transport bills, e-way bills reflecting GST payments done along with ledger statement of Shree Balaji Enterprises for FY 2017-18 to FY 2021-22 by email dated March 07, 2023.

16.5. CSCL is not concerned with the fund transaction between Shree Balaji Enterprises and Heena Enterprises. Noticees 1 to 4 have no control over the functioning of their vendors/buyers.

Submission of Noticee 14 – Anju Devi (Proprietor Shree Balaji Enterprises) and Noticee 13 – Heena Khatoon (Proprietor Heena Enterprises)

17. Noticee 14 has made the following submissions with respect to her connection with Noticees 1 to 4 and Noticee 13:

17.1. She is connected to Praveen Rastogi who is her son-in-law.

17.2. Trading in goods was done with CSCL, Heena Enterprises and PAPL and such trades were disclosed in Shree Balaji's GST and Income tax returns.

18. Noticee 13 has not responded to the SCN. However, I note that during the investigation, Noticee 13, vide email dated November 04, 2022, stated that she has business relations with CSCL and Shree Balaji Enterprises. Further, vide email dated May 22, 2023, she stated that she received Rs. 8 lakh and Rs. 3 lakh on December 06, 2019 and December 07, 2019, respectively, from CSCL in lieu of supply of mentha oil to CSCL and she is doing business since 2019. Further, she stated that she transferred Rs. 35 lakh to Noticee 14 in lieu of payment of goods and is not aware how Rs. 35 lakh were utilised.

Findings with respect to connection and transactions between Noticees 1 to 4 and Noticees 13 and 14

19. I note that Noticees 1 to 4 and Noticees 13 and 14 have acknowledged that they are

connected by way of personal and/or professional relationships with Noticee 1 being the son-in law of Noticee 14 and there being business transactions between Noticees 3-4 and Noticees 13-14. I also note that Noticees 1 and 2 are directors of Noticees 3 and 4.

20. The SCN has alleged that, *inter alia*, there were the following three transfer of funds from CSCL to Heena Enterprises during the IP:

Table 5: Dates of transfer of funds from CSCL to Heena Enterprises

Date	**Amount transferred to Heena Enterprises (in Rs.)**
December 06, 2019	8 lakh
December 07, 2019	3 lakh
January 03, 2020	35 lakh

21. Further, the SCN has stated that CSCL transferred Rs. 3 lakh to Shree Balaji Enterprises on December 30, 2019. Additionally, the SCN has stated that Heena Enterprises transferred Rs. 35 lakh to Shree Balaji Enterprises on January 03, 2020.

22. Upon a perusal of the e-way bills submitted by Noticees 1 to 4 and Noticee 14, I note that the e-way bills pertain to sale of goods by Heena Enterprises to CSCL during October 2019 to July 2020 with the amount of goods being transported being in the range of Rs. 63 lakh to Rs. 1.05 crore in each case. Also, I note that there are e-way bills which pertain to sale of goods by Shree Balaji Enterprises to CSCL during February 2019 to March 2019 with the value of goods being transported being in the range of Rs. 39 lakh to Rs. 1.30 crore. However, there is no e-way bill to explain the transfer of Rs. 35 lakh from Heena Enterprises to Shree Balaji Enterprises on January 03, 2020. Further, it is seen from the extract of the Canara bank account number xxxxxxxxx5328 of Heena Enterprises below that the funds were transferred to Shree Balaji Enterprises on the same day as they were received by Heena Enterprises from CSCL:

Table 6: Fund movement from Heena Enterprises to Shree Balaji Enterprises

Transaction Date	Narration	Debit amount (Rs.)	Credit Amount (Rs.)	Balance (Rs.)
03/01/2020	RTGSIW:CSCLSEEDSANDCHEMICALSLTD-HDFCRxxxxxxxxxxxxx7486		35,00,000.00	35,04,794.20
03/01/2020	RTGS AFTER 13.00 ABOVE 5L SC	58.00		35,04,736.20
03/01/2020	RTGSOW:SHREE BALAJI ENTERPRISES-CNRBRxxxxxxxxxxxxx6634	35,00,000.00		4,736.20

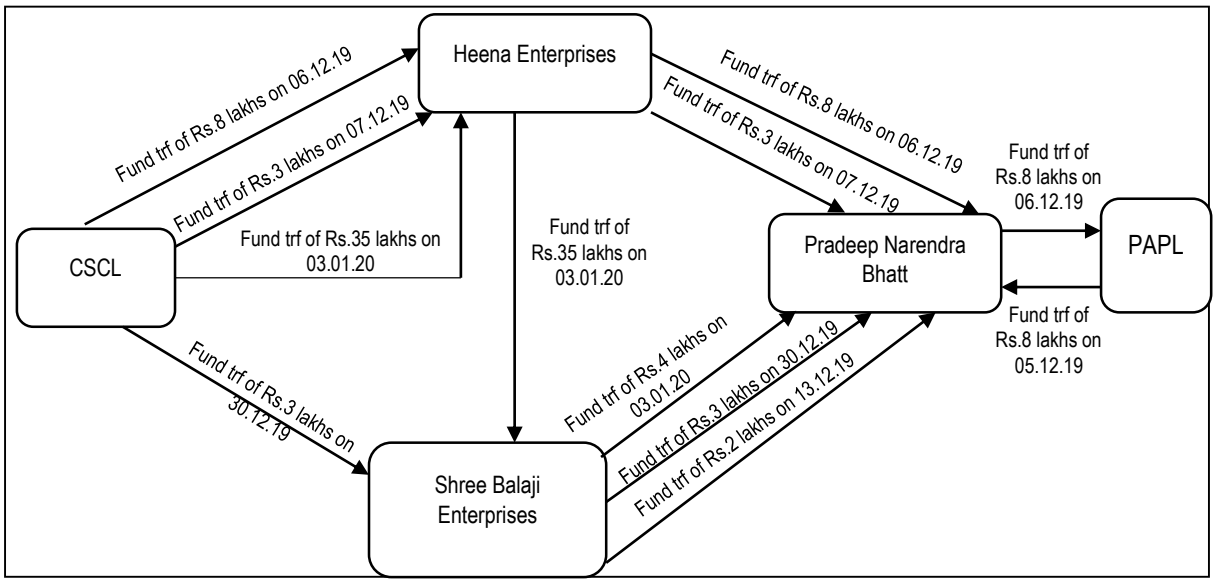
23. In the light of the above, while the transfer of funds from Noticees 3 and 4 to Noticee 13 and 14 are supported by e-way bills, there is a need to analyse the fund transfers among other Noticees against the background of the allegations against Noticees 1 to 4.

Connection between Noticees 3-4 (PAPL, CSCL), Noticee 13 (Heena Enterprises), Noticee 14 (Anju Devi (Proprietor Shree Balaji Enterprises) and Noticee 15 (Pradeep Narendra Bhatt)

Allegations

24. The SCN has alleged that Noticee 13 and 14 acted as conduits for transfer of funds from Noticees 3 and 4 to Noticee 15. A chart depicting the fund movement between these Noticees is as follows:

Chart 3



25. Further, the SCN has stated that "*during the investigation, Pradeep Narendra Bhatt admitted to SEBI that he increased the price of the scrip of CSCL on the instructions of Praveen Rastogi*" and that funds were transferred to him through Noticees 13 and 14 on the instructions of Noticee 1.

Submission of Noticee 3 (PAPL) and Noticee 4 (CSCL)

26. Noticees 3 and 4 have stated that they have business relations with Noticees 13 and 14 and have submitted e-way bills in support of this contention. Further, Noticees 3 and 4 have stated that they are not responsible for the functioning of Noticees 13 and 14. Also, Noticees 3 and 4 transferred Rs. 49 lakh in all to Noticees 13 and 14 in the alleged transactions but Noticees 13 and 14, in all, transferred only Rs. 20 lakh to Noticee 15.

27. With respect to the fund transfer of Rs. 8 lakh from Noticee 3 to Noticee 15, Noticee 3 has stated as follows:

    27.1. There was a fire incident in the factory of PAPL on October 1, 2019 due to which their business had suffered badly and PAPL was in need of an immediate funding for survival of the business, which could not be availed through normal banking channels.

    27.2. Even insurance company took long time to settle the claim of fire incident, which was still in process through the New India Assurance Company Ltd. despite submitting the Fire Insurance Claim Form dated July 30, 2021 by PAPL. The Noticee has provided a copy of Fire Report dated October 1, 2019 but signed dated October 10, 2019 issued by Utter Pradesh Fire Service with respect to fire incident in PAPL factory.

    27.3. PAPL transferred Rs. 8 lakh to Pradeep Narendra Bhatt on December 05, 2019, which was returned to PAPL on next day on December 06, 2019. Hence, Noticee 3 has contended that the transfer of these funds cannot be connected with trading of Pradeep Narendra Bhatt.

    27.4. This Rs. 8 lakh was transferred to Pradeep Narendra Bhatt to help arrange funds by PAPL through IPO by way of an oral agreement. However, as CA of Praveen Rastogi informed him that PAPL cannot avail funds through IPO as

there had been a fire in PAPL (on October 01, 2019), the funds were returned by Pradeep Bhatt.

27.5. Pradeep Bhatt was introduced to Praveen Rastogi by Rakesh Bhatnagar, financial consultant of PAPL, who has died on September 30, 2020.

Submissions of Noticee 14 – Anju Devi (Shree Balaji Enterprises)

28. An amount of Rs. 3 lakh transferred by Noticee 14 to Noticee 15 cannot be basis for levy of action where the amount involved is more than crore of rupees. She has stated that she had transferred this amount to Noticee 15 to arrange finance facility for her business.

Submissions of Noticee 13

29. Noticee 13 did not respond to the SCN. However, I note that during the investigation, Noticee 13, vide email dated November 16, 2022 stated that she had given amount to Pradeep Narendra Bhatt as unsecured loan. However, vide email dated May 22, 2023, she stated as follows:

29.1. She transferred Rs.11 lakh to Pradeep Narendra Bhatt for business purposes and that her transactions with CSCL and Pradeep Narendra Bhatt were unrelated.

29.2. This amount was transferred to Pradeep Narendra Bhatt to expand her business in Maharashtra for which Pradeep Narendra Bhatt was helping her.

29.3. The amount was not given as loan but for business purpose based on oral agreement and hence no agreement was made.

29.4. Her normal business does not involve lending of unsecured loan and she does not hold license for the same.

29.5. No other amount was sent to Pradeep Narendra Bhatt during FY 2018-19, FY 2019-20 and FY 2020-21.

Submission of Noticee 15

30. Noticee 15 appeared for hearing through his Authorized Representative (AR) Advocate Rinku Valanju on June 21, 2024. The AR was directed to make final submissions by July 14, 2024. However, no reply was received from Noticee 15 thereafter. Nevertheless, during the hearing, his AR filed an unsigned reply dated

June 21, 2024 on behalf of Noticee 15. Further, during the hearing, the AR of the Noticee made submissions in line with this reply. Hence, I consider it appropriate to place reliance on the oral submissions made by the Noticee's AR during the hearing held on June 21, 2024. In the said hearing, the Noticee's AR denied the allegations levelled against the Noticee in the SCN, inter alia, stating as follows:

30.1. Noticee 15 received funds from Praveen Rastogi through Heena Enterprises and Shree Balaji Enterprises as unsecured loans for paying off his debts.

30.2. Additionally, Noticee 15 has stated that he was introduced to Noticee 1 by one Mr. Rakesh Bhatnagar in October 2019. Noticee 1 gave him the task to find a merchant banker for PAPL's IPO for a commission of Rs. 1 lakh and also promised to help Noticee 15 with a loan of Rs. 30 lakh from his company PAPL to help him pay off his debts.

30.3. Noticee 1 arranged loan for Noticee 15 through Noticees 13 and 14.

30.4. Noticee 1 arranged Rs. 8 lakh through Noticee 3 on December 05, 2019 and immediately asked for its return with a promise to arrange funds from someone else.

30.5. Later, Noticee 15 received Rs. 11 lakh from Noticee 14 and Rs. 9 lakh from Noticee 13 for 5 years at 1% monthly interest to be paid at the end of loan tenure. This money was used to make payments to various entities for losses incurred on account of trading in Yes Bank, HDFC Bank and Bank of Baroda.

31. Further, Noticee 15 has placed reliance on the Hon'ble SAT's order dated August 12, 2021 in the matter of *Baldevsinh Zala Vs. SEBI* to contend that more proof is required to establish that all entities were working as a group.

32. Noticee 15 has also stated in the hearing held on June 21, 2024 and his unsigned reply (dated June 21, 2024) submitted during the said hearing as follows:

"*The Noticee also stated in his submissions that he told Mr. Praveen Rastogi, that he will not be able to continue doing manipulation in the scrip in January 2020, which is evident from his trades. However, this part of his statement is not being taken congnizance of.*"

Findings with respect to transfer of funds from Noticees 3, 13 and 14 to Noticee 15

33. While I cannot place reliance on Noticee 15's statements made during the investigation as he had not made himself available for cross-examination, I consider it appropriate to place reliance on his submissions made before me during his hearing on June 21, 2024. Based on the submissions made during the investigation, I note that the reasons provided by Noticee 13 for transfer of funds to Noticee 15 have been different in different replies with initially the transfer having been done as an unsecured loan (reply dated November 16, 2022) and later to help expand business of Noticee 13 (reply dated May 22, 2023). Noticee 14 has stated that she had transferred money to Noticee 15 to arrange finance facility for her business (reply dated June 03, 2024). However, Noticee 15 has stated that the funds were received by him from Noticees 13 and 14 as unsecured loan (during hearing held on June 21, 2024). However, no documents have been provided for advancing of such loan by Noticees 13 and 14 to Noticee 15 by any party. Further, the statement of Noticee 13 and 14 that funds were transferred for Noticee 15's help in Noticee 13's business expansion and for arranging finance facility for Noticee 14, respectively, appear to be statements without merit as no funds were transferred to Noticee 15 before or after such transfer. Additionally, no documentary evidence with respect to agreement of Noticees 13 and 14 with Noticee 15 for business expansion or arranging finance facility has been provided by either of the Noticees. Also, while Noticee 13 stated in her reply dated May 22, 2023, that her transactions with Noticee 3 and 4 and those with Noticee 15 are unrelated, Noticee 15 has stated during the hearing held on June 21, 2024 that funds were transferred to him from Noticees 13 and 14 at the behest of Noticee 1, who is the promoter of Noticee 3. The findings of Noticee 14 also being connected to net seller Noticee 10 by way of a common email id is also another corroborative factor regarding involvement of Noticee 14 (refer para 65-71 of this Order). Similarly, findings of further money transfer of Noticee 13 with net sellers Noticee 8, 9 and 10 also serve as corroborating factors regarding involvement of Noticee 13 (refer para 53-60, 65-69 and 80 of this Order).

34. With respect to the transfer of Rs. 8 lakh by Noticee 3 to Noticee 15 and subsequent return of funds, the reason provided by both the Noticees are different with Noticee

3 stating that the funds were transferred for help in IPO and Noticee 15 stating the funds were for helping him pay off his debts and the commission of Rs. 1 lakh was payable for helping in IPO. Both the Noticees have mentioned the name of one Mr. Rakesh Bhatnagar as the common acquaintance between Noticee 1 and Noticee 15. Further, it has been stated by Noticees 1 to 4 that Rakesh Bhatnagar acted as a financial consultant of Noticee 3. To prove that Rakesh Bhatnagar was a financial consultant of PAPL, Noticees 1 to 4 have produced certain documents, such as flight tickets booked by Noticees 1 to 4 for Rakesh Bhatnagar for his travel in June 2019, bank statement of PAPL reflecting payments made to Rakesh Bhatnagar on December 05, 2019 for his services and email correspondences received by PAPL from Rakesh Bhatnagar in the course of his consultancy in March and April 2020. Upon perusal of the said documents, I note that only a onetime payment of Rs. 2 lakh is made in December 2019 and even the pdf versions of emails are one-sided from a supposedly gmail id of Rakesh Bhatnagar to Noticee 1's gmail id without reference of the earlier mails.

35. In the light of the above stated submissions by Noticees 3, 13, 14 and 15, the fact that Noticee 13 transferred Rs.11 lakh received from Noticee 4 to Noticee 15 on the same date, lack of sufficient documentary evidence in support of statements made by Noticees 3, 13, 14 and 15, I find merit in the allegations that the transactions are related and the funds were used for alleged manipulation in the scrip of CSCL. Further, Noticee 15's reliance on *Baldevsinh Zala vs. SEBI* is misplaced as Noticee 15, during hearing on June 21, 2024, has himself acknowledged transfer of funds to him from Noticee 1's company Noticee 3 and return of those funds as well as transfer of funds to Noticee 15 through Noticee 13 and 14. The fund movements are also very much on record.

36. Also, Noticee 14 has contended that how can any action be levied against her for transfer of Rs. 3 lakh to Noticee 15 when manipulation pertains to crores of rupees. In this regard, I note that Noticee 14 had transferred a total of Rs. 9 lakh to Noticee 15 during December 2019-January 2020 and she is also seen to be connected to net seller Noticee 10 (who purchased shares in April 2018 and then sold all his shares at a profit during the IP) by way of common email id. Similarly, Noticees 1 to 4's

contention with respect to inconsistency in amount of funds transferred is dealt with in later paragraphs when overall findings from examination are summarised (refer para 105-109 of this Order).

Trading pattern of Noticee 15

Allegations

37. The SCN has brought out the following facts with respect to the trading by Noticee 15 during the IP:
    - 37.1. Noticee 15 contributed Rs.10.25 to the total market positive LTP (i.e. 6.71% of market positive LTP of Rs.152.8) through 22 positive LTP trades.
    - 37.2. In 6 out the 22 positive LTP trades, Noticee 15 repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell order. The LTP contributed through such 6 trades was Rs.7.85 (i.e. 5.14% of total market positive LTP of Rs.152.8). These 6 trades were also placed as first trades for the day.
    - 37.3. Further, Noticee 15 contributed Rs.7.8 to net LTP (i.e., 9.05% to net LTP of Rs.86.2) through 76 trades as buyer. Pradeep Narendra Bhatt also contributed Rs.8.15, i.e., 9.49% to market NHP through 11 positive LTP trades.

Submissions of Noticee 15

38. The submissions made by the Authorized Representative (AR) Advocate Rinku Valanju on June 21, 2024 with respect to the trading pattern of Noticee 15 are provided below:
    - 38.1. Noticee 15 told Noticee 1 in January 2020 that Noticee 15 will not be able to do manipulation in the CSCL scrip, which is evident from his trades.
    - 38.2. Further, the price before the IP was circuit price indicating that Noticee was purchasing shares within circuit limits and at that time, market was seller driven with sellers driving the price and scrip price was opening at upper circuit and hence, there was no intention to manipulate price as Noticee 15 was only a price taker for most trades.
    - 38.3. Further, Noticee 15 contributed only Rs. 10.25 to LTP rise of Rs. 152.8 and there were also trades that resulted in negative LTP of Rs. 2.45 or 0 LTP.
    - 38.4. Apart from 6 orders placed during the pre-opening session, the orders of the

Noticee were not first in time and the trade price was also within the price range of the day. Also, the buy order type was market/limit which is permitted.

Findings

39. I find that there is an admission by Noticee 15 of having manipulated the CSCL shares on the instruction of Noticee 1 till January 2020 during the hearing held on June 21, 2024. During the hearing, submissions were made by Noticee's AR in line with an unsigned letter dated June 21, 2024, which states as follows:

""*The Noticee also stated in his submissions that he told Mr. Praveen Rastogi, that he will not be able to continue doing manipulation in the scrip in January 2020, which is evident from his trades. However, this part of his statement is not being taken congnizance of.*"

Further, with respect to the Noticee's contention of having contributed only Rs. 10.85 of Rs. 152.8, I note that Noticee 15 is alleged to have played role in manipulating the price along with 8 other MAs. Hence, limited contribution to manipulation by Noticee 15 cannot be a reason for absolving him of the allegation of manipulating the scrip price. Similarly, the Noticee's contention to being only price taker cannot be accepted as it is natural for sellers to attempt to sell the scrip at the upper most limit price possible but that is not the case for buyers. Further, Noticee 15 has not specified why he was willing to purchase the share at upper circuit price day after day.

Connection between Noticees 16 (Vijay Pujara), 17 (Ajay Pujara) and 18 (Natvarbhai Vegda) and whether Dinesh Thakur, Keyur Parmar, Ritu Rahul Mehta, Sharda Sharma, Dhaval Gadani, Anurudhkumar Yadav, Shibakumar Tyagi, and Anand H Soni were mule accounts of Noticee 16

Allegations

40. The SCN has alleged that Dinesh Thakur, Keyur Parmar, Ritu Mehta, Sharda Sharma, Dhaval Gadani, Anurudhkumar Yadav, Shibakumar Tyagi, and Anand H Soni were mule accounts of Noticee 16 (Vijay Pujara). Further, the SCN has stated that in the opening of these mule accounts and trading in these accounts, Noticee 16 was aided by Noticee 17 and 18 who are brother and peon, respectively, of Noticee 16. While making these allegations, the SCN has, *inter alia*, stated as follows:

40.1. Cash deposits in the accounts of Dhaval Gadani, Keyur Parmar, Anurudhkumar Yadav, Ritu Mehta and Shibakumar Tyagi had mobile number xxxxxx1425 and xxxxxx0249 (belonging to Noticees 16 and 17, respectively).

40.2. Fund transfer from bank accounts of Dhaval Gadani, Anurudhkumar Yadav and Ritu Mehta were observed in the bank accounts of Dinesh Thakur, Anand Soni and Sharda Sharma. Fund transfers from Vijay Pujara to Dhaval Gadani, Dinesh Thakur, Sharda Sharma and Anurudhkumar Yadav were also observed prior to and post IP.

40.3. Noticee 16 is the introducer for trading account of Dinesh Thakur and Keyur Parmar in MNM Stock Broking Pvt Ltd. Noticee 16 also signed as witness to nomination of Ritu Mehta as observed in the account opening form held in MNM Stock Broking Pvt. Ltd.

40.4. Noticee 17 is the authorized person for trading accounts of Keyur Parmar and Ritu Mehta held in Tradebulls Securities Pvt. Ltd.

40.5. Mobile number xxxxxx1425 appears in the trading account of Keyur Parmar and Anurudh Yadav as well as in bank accounts of Anurudh Yadav, Ritu Mehta, Dhaval Gadani, Keyur Parmar and Shibakumar Tyagi.

40.6. The Media Access Control (MAC) address (a unique, 12-digit hexadecimal number assigned to each device connected to the network) of orders placed by Vijay Pujara during September 17, 2019 to October 22, 2019 is the same as that of the device used for trading in scrips other than CSCL by Keyur Parmar, Ritu Mehta and Anurudh Yadav during September 13, 2019 to February 24, 2020. Further, MAC address used by Shibakumar Tyagi and Keyur Pramar for trading in the scrip of CSCL during IP matches with that used by Vijay Pujara during September 17, 2019 to October 22, 2019.

40.7. During the investigation, Vijay Pujara made a statement under oath that he was in possession of login ID and password details of Dinesh Thakur and Sharda Sharma.

<u>Submissions of Noticee 16</u>

41. Noticees 16 has made the following submissions, vide letter dated September 20, 2024 and October 14, 2024, with respect to his connection with Noticee 17 and 18 and the alleged mule accounts:

41.1. He has been trapped by Manoj Somani, Amit Patel, Govind Prajapati (hereinafter, collectively referred to as **Manoj Somani group**).

41.2. Since 2015, he has been engaged in the clothing (garments) and agriculture products business.

41.3. During 2018-2022, he was involved in private financing as his side business on a small scale. During this time, money was lent on a trust basis to 8 alleged mule accounts by relatives, family or friends who are real estate brokers and stockbrokers. The money was lent at an interest rate of 0.5% to 1.5% per month.

41.4. In 2018-19, he became acquainted with Manoj Somani group who provided investment advice to him and sometimes referred his clients to him who needed financial assistance for any purpose. Apart from investment advice, Manoj Somani group also operates demat accounts of other persons in return for some consideration of Rs. 2,000-5,000 to their respective accounts on a monthly basis. One day, Manoj Somani approached and offered him that if he (Vijay Pujara) allowed Manoj Somani to operate his demat account, Manoj Somani would pay him 10% return every month. Hence, he lent him 2 of his accounts for trading. All the alleged mule accounts gave their trading account details to Manoj Somani. When Vijay Pujara gave his accounts to him for trading, he did not know that they will be misused.

41.5. During 2020-21, when the country was under lockdown due to Covid-19 pandemic, he and his team provided interest free loans to persons who were in need of funds.

41.6. These funds were provided to the alleged 8 mule accounts and to more than 70 persons who had availed loan from him and he had suffered a loss of Rs. 10 lakh due to non-repayment of loans by few customers.

41.7. The money was lent to people on a reference basis and all the alleged mule entities were referred by Manoj Somani group. In most cases, customer gave blank cheques as security for loans.

41.8. Manoj Somani acted as a surety to entities referred to him as the borrowers had their demat account with Manoj Somani group.

41.9. Vijay Pujara did not maintain database of his clients (who repay his loan) for more than 3 months . Hence, Vijay Pujara has stated that he has shown lack of

diligence in financial transactions but he cannot be held liable for fraud.

41.10. SEBI's investigation team has not called and checked the call history of the 8 mule accounts. The entire grouping based on the alleged connections is incorrect as far as Vijay Pujara is concerned. No broker has confirmed that the said accounts were operated by him.

41.11. Introducer of a trading account does not imply any operational control or fiduciary responsibility over an account.

41.12. The cash deposits in the 8 mule accounts were only loans for personal purposes of these entities and Vijay Pujara did not receive any return or personal benefit from these deposits.

41.13. The mobile number xxxxxx1425 was given to Vijay Pujara by Somani and group because around November-December 2019, Vijay Pujara's customers were not paying the loan and were not even picking his calls. Hence, the number does not belong to Natvarbhai Vegda but is associated with Somani and group. This number was occasionally used to contact clients of Vijay Pujara when they were not responding and accordingly, the CDRs pertaining to this number are unrelated to the transactions in question.

41.14. MAC addresses belong to Manoj Somani group with no connection to Vijay Pujara and may have been used without his authorisation. Further, MAC address fails to establish a direct link between MAC addresses and his trading activities.

41.15. Not all cash deposits have been made by Vijay Pujara, Ajay Pujara and Natvarbhai Vegda. The alleged dates of deposits have not been provided to him and no connection has been established between trade dates in CSCL and cash deposits. Also, no data has been provided to him with respect to the trades of mule accounts.

41.16. Vijay Pujara requested cross-examination of Dinesh Singh who had stated that he rented his KYC details to Natvarbhai Vegda for Rs. 2,000. There is no evidence that shows that Vijay Pujara has illegally gained any money.

41.17. Vijay Pujara has not traded in the scrip of CSCL and he does not have any direct/indirect connection with the alleged mules' demat and bank accounts.

41.18. In Adjudication Order No. Order/BS/RG/2023-24/29278-29303 dated September 18, 2023, several entities submitted that their accounts have been

operated by Manoj Somani and Group.

Submissions of Noticee 17

42. Noticee 17 has made the following submissions with respect to his connection with Noticee 16 and 18 and the alleged mule accounts:

42.1. Noticee 17 requested for cross-examination of all alleged mule entities.

42.2. Noticee 17 has not transferred any fund from his account to any entity.

42.3. The SCN is an attempt to harass Pujara Group for lending money services without obtaining necessary certificate.

42.4. Manoj Somani group are real culprits who did the fraudulent transactions and Noticee 17 was not aware of it at that time.

42.5. There is no transaction of Noticee 17 with alleged mule accounts.

42.6. There should be proof if Noticee 17 operated trading and bank accounts of 8 suspected entities and transferred Rs. 2,000-3,000 to them.

42.7. Noticee 17 has no relation with anyone other than Vijay Pujara who is his brother.

42.8. Not making the alleged mule accounts as party to the Notice causes prejudice to Noticee 17.

42.9. Noticee 17 has not traded in the scrip.

42.10. There is no basis for alleging that Noticee 17 helped his brother in manipulating scrip price.

42.11. Entities were referred to Vijay Pujara by Somani group and Vijay Pujara provided loan facility to them but no funds have been transferred to them by Noticee 17. The role of Noticee 17 was limited to being introducer of accounts and cannot be extended to operating/controlling the accounts and Noticee 17 denies that he has helped Vijay Pujara.

42.12. Funds were transferred by Noticee 17 for loan purposes and he had no knowledge of how the funds were utilized. The number xxxxxx1425 does not belong to Natwarbhai Vegda.

42.13. MAC address belongs to Manoj Somani group with no connection to Noticee 17.

42.14. The alleged dates of deposit have not been provided and no connection has been established between trade dates in CSCL scrip and dates of cash deposits. No data has been provided to Noticee 17 with respect to cash

deposits and use of mobile number in making the cash deposits.

42.15. Noticee 17 has not benefitted from manipulation of scrip and disgorgement should be issued against the alleged mule accounts who have benefitted.

42.16. In SEBI Adjudication Order No. Order/BS/RG/2023-24/29278-29303 dated September 18, 2023, several entities submitted that their accounts have been operated by Manoj Somani group. Also, the SCN with respect to the said order was issued to Vijay Pujara and not to Noticee 17. The reason for issuing SCN to him in the current case has not been provided.

Submissions of Noticee 18

43. Noticee 18 has made the following submissions with respect to his connection with Noticee 16 and 17 and the alleged mule accounts:

43.1. Noticee 18 belong to below Poverty Line segment having an income of Rs. 1,20,000 per annum.

43.2. Noticee 18 worked as peon with Vijay Pujara since 2018-19 on a monthly salary of Rs. 10,000.

43.3. Noticee 18 did whatever work he was told to do by his employer Vijay Pujara under the course of his employment. Hence, even if Vijay Pujara has committed any crime, he cannot be held liable under the given circumstances. Further, there is no proof that Noticee 18 was part of the fraud.

43.4. Noticee 18 has no relation with the alleged 8 mule accounts and has no financial transaction with them.

43.5. Noticee 18 requested for cross-examination of Dinesh Thakur (one of the alleged mule accounts) and bank transactions evidencing the payment of Rs. 2,000 to Natvarbhai Vegda by Dinesh Thakur for renting his KYC to him (Natvarbhai Vegda).

43.6. The alleged 8 mule accounts should also be made party to the case and without making these entities party to the present case causes prejudice against Noticee 18.

43.7. Mobile number xxxxxx1425 does not belong to Noticee 18 but to one Rajan Gajjar. Noticee 18 has not deposited money through this mobile number. The mobile number xxxxxx1425 was used by Amit Patel (part of Somani group).

43.8. Noticee 18 does not deny his role in opening the trading accounts and

performing his duties by depositing cash into the Cash Deposit Machine and getting documents from clients of Vijay Pujara as usual office work.

43.9. Noticee 18 has not benefited from the alleged transactions and he does not know any suspect entity in the matter other than Vijay Pujara.

Findings

44. From a combined reading of the submissions made by Noticees 16, 17 and 18, it is an admitted fact that Noticees 17 and 18 are brother and peon of Noticee 16. Further, it has been admitted by Noticee 18 that he deposited cash under the instructions of Noticee 16 in the bank accounts of the alleged mule accounts. It has also been admitted by Noticee 16 that he acted as introducer in the trading accounts of several mule accounts as detailed in para 40 of this Order. However, the reasons for acting as introducers and depositing cash have been disputed by Noticees 16 and 17 while Noticee 18 has contended that he, being a peon of Noticee 16, only carried out the tasks assigned to him by his employer. Noticee 16 and 17 have placed the entire responsibility on Somani group for introducing the alleged mule entities to them and for operating their accounts as well as the account of Noticee 16. With respect to the narrative of Noticee 16 and 17 regarding the alleged cash deposits and trades, I note that MAC address pertains to a unique device and the MAC address of the device used by Noticee 16 for placing online orders during September 17, 2019 to October 22, 2019 matched with that of orders placed by 3 alleged mule accounts, i.e., Keyur Parmar, Ritu Mehta and Anurudh Yadav, in online trades (even if in scrips were other than CSCL) during September 2019 to February 2020. Further, MAC address used by Shibakumar Tyagi and Keyur Pramar for trading in the scrip of CSCL during IP matches with that used by Vijay Pujara during September 17, 2019 to October 22, 2019. Hence, based on the facts of the case regarding funding of the alleged mule accounts by Noticee 16 (with the help of Noticees 17 and 18 who made cash deposits in these accounts) and matching of MAC address along with preponderance of probability, the logical conclusion that follows is that these 4 accounts were operated by Noticee 16 even if, in certain cases, the time periods are different. Further, I note that there is an Adjudication Order No. Order/BS/RG/2023-24/29278-29303 dated September 18, 2023 in the matter of Capri Global Ltd. against Vijay Pujara. The said Order has observed that 25 entities caused price and volume manipulation in the

Capri Global scrip by executing fraudulent trades and Vijay Pujara funded and placed orders from these accounts and has also noted as follows:

"***…****the Noticee had nowhere made any reference to Manoj Somani before the investigating authority at the time of submitting his response to the various summons issued by SEBI. Hence, I find the submission of the Noticees as an afterthought and do not find any merit in this submission of the Noticee.*"

Under the circumstances described above relating to the instant case also, I find that reference to Manoj Somani Group by Noticees 16 and 17 is an afterthought after SEBI started issuing summons for manipulation carried out in different scrips by following a similar modus-operandi by Noticee 16.

45. With respect to the mobile number xxxxxx1425, I note that while Noticee 18 is correct in stating that the number belongs to one Rajan Gajjar, this number has been provided by Noticee 18 as his alternate number in the CAF of mobile number xxxxxx7806. This mobile number xxxxxx1425 was also provided by Noticee 18 when he was recorded under oath during SEBI investigation on May 31, 2023. In view of this, I find that the statements of Noticees 16, 17 and 18 roping in Manoj Somani group in the entire scheme are only bald statements without any proof. Further, on the basis of preponderance of probability, I find that the use of his mobile number while depositing cash and in the application form of the trading accounts of MA5, MA2, MA6, MA3 and MA7 indicates that these accounts were operated by Noticee 16 as Noticee 18 being his peon was only carrying out the instructions given to him by Noticee 16. Further, during the investigation, fund transfers were observed from Vijay Pujara to MA1, MA4, MA5 and MA6 and it was also observed that MA8 shares common mobile number xxxxxx0754 with MA3, MA4, MA5 and MA6. Further, fund transfers were observed of MA8 with MA3 and MA6. Hence, based on preponderance of probabilities, I am inclined to conclude that the trading in these 8 accounts were done at the behest of/by Noticee 16 with the assistance of Noticees 17 and 18 as the funds received in each of these accounts were used to trade in the CSCL scrip.

46. Further, as these Noticees 16, 17 and 18 filed their replies as late as September-October 2024 despite SCN dated February 28, 2024 having been served on them by

July 2024, their requests for cross-examination has been denied. Also, the request for additional documents made in the final submissions after requesting for several postponements of hearing has been denied. The request for information and cross-examination cannot be dragged on and natural justice cannot be endless. The details of the chronology of correspondences by Noticees 16, 17 and 18 are provided in Table 3 and 4 of this Order. Further, I am not placing any reliance on statements made by Dinesh Thakur with respect to Noticees 16, 17 and 18 while arriving at any conclusion.

47. Additionally, I note that during the investigation, the statement of Noticee 16 was recorded under oath on May 30, 2023, wherein he stated that he received the login ID and password of Dinesh Thakur (one of the MAs) from one Govind Prajapati (part of Manoj Somani Group) which he forwarded to Manoj Somani. Hence, I find that Noticee 16 has admitted to having the login ID and password details of trading account of Dinesh Thakur. Further, Noticee 16 stated that the mobile number xxxxxx1425 was being used by Noticee 18.

48. With respect to Noticees 16 and 17's submission that in SEBI Adjudication Order No. Order/BS/RG/2023-24/29278-29303 dated September 18, 2023, several entities submitted that their accounts have been operated by Manoj Somani Group, I note that the AO has found that Vijay Pujara had first transferred money into the account of other Noticees in that Order and then alongside the group entities themselves, Vijay Pujara also placed orders from their trading accounts using these funds. Hence, the statements made by several entities regrading use of their accounts by Manoj Somani group has not been accepted by AO in the said Order. Based on the evidence presented before me and preponderance of probability, I am inclined to draw the following conclusion, i.e., Vijay Pujara directly or indirectly funded these eight MAs – Anurudhkumar Barelal Yadav, Keyur Vinodchandra Parmar, Dinesh Avadheshsingh Thakur, Ritu Rahul Mehta, Shibakumar Modhausinh Tyagi, Anand H Soni, Dhaval Vinodbhai Gadani and Sharda Sharma – and then operated these accounts. Further, the help of Ajay Pujara and Natwarbhai Vegda, both of whom played a crucial role in opening the trading accounts and depositing cash in the bank accounts of these entities is evident. Further, considering that Ajay Pujara is an

authorized person himself, I find that Noticee 16 was aware that opening of several trading accounts with the use of blank forms and cash deposits in these accounts are being done to use them as MAs to manipulate share prices. However, considering that Noticee 18 is only a peon with a salary of mere Rs. 10,000 per month and acted under the instructions of his employer in carrying out the assigned activities, I am inclined to take a lenient view. Hence, with respect to Noticee 18, I find that even though he may not be aware of the reasons for carrying out of manipulative activities by Vijay Pujara, he violated Section 12A(c) of the SEBI Act and regulation 4 (2)(e) of the PFUTP Regulations by his acts.

Connections between Noticees 1 to 4 (Praveen Rastogi, Sachin Rastogi, PAPL, CSCL), Noticees 5 to 7 (Mohd. Idrees, Proprietor of Tirupati Enterprises, Momin Jahan, Proprietor of Jahan Enterprises, Mujaffar Khan, Proprietor of Shiv Enterprises), Noticee 9 (Hari Om Singh), Noticee 13 (Heena Khatoon, Proprietor Heena Enterprises) and Noticee 12 (Vivek Varshney)

Allegations

49. The SCN has alleged as follows:

49.1. Noticees 5 and 6 are spouses and Noticee 7 is their son. Further, Noticee 7 was an independent director of CSCL during November 01, 2017 to September 18, 2018. Noticee 1 had rented out three premises of Noticee 4 at Uttarakhand to Noticees 5 and 7 (during September 04, 2017 to August 03, 2018) and to Noticee 6 (during October 01, 2017 to August 31, 2018).

49.2. During March 01, 2022 to March 15, 2023, Noticee 1 had one call with Noticee 9 on his mobile number xxxxxx0411 and 51 calls on his mobile number xxxxx5284 (belonging to son of Noticee 9).

49.3. Noticee 2 (mobile number xxxxxx5434) had 88 calls with Noticee 9 (mobile number xxxxxxx5284 belonging to son of Noticee 9).

49.4. Further, CAF of mobile number xxxxxx1940 mentioned in KYC of Noticee 9 maintained with Bhaijee Portfolio Ltd. has mobile number belonging to one Satya Narayan Pathak. Further, it is observed that name of Noticee 2, part of promoter group and director of CSCL, is given as local reference for mobile number xxxxxx1940.

49.5. Hari Om Singh shares common email ID v******08@gmail.com with Vivek Varshney, who is part of promoter group of CSCL and brother in-law of Noticee 1.

49.6. Hari Om Singh opened trading account with Bhaijee Portfolio Limited on April 05, 2018. He received Rs.50 lakh from PAPL on April 04, 2018 through Shiv Enterprises (Proprietor Mujaffar Khan) and Tirupati Enterprises (Proprietor Mohd. Idrees). Hari Om Singh purchased 1,80,000 shares of CSCL for Rs. 48.21 lakh on April 05, 2018. During the investigation period, Hari Om Singh purchased 48,000 shares for Rs. 22.08 lakh and then sold all the 2,28,000 shares for Rs. 1.08 crore. Hence, the net proceeds received by Hari Om Singh during the IP were Rs. 86.25 lakh (Rs. 1.08 crore – Rs. 22.08 lakh). Of this, Rs. 85.4 lakh were transferred to Heena Enterprises (Proprietor Heena Khatoon) during January 16-21, 2020. On February 03-04, 2020, Hari Om Singh received Rs. 81 lakh from Heena Enterprises (Proprietor Heena Khatoon) and he transferred Rs. 61 lakh to Tirupati Enterprises (Proprietor Mohd. Idrees), which was withdrawn by Tirupati Enterprises on February 04-05, 2020.

Submissions of Noticees 1 to 4

50. With respect to the said alleged transactions, Noticees 1 to 4 have made the following submissions:

50.1. The transfer of funds from PAPL to Tirupati Enterprises of Rs. 1.4 crore during March-April 2018 were business transactions with one way transfer of funds and are supported by GST payments.

50.2. That Noticee 7 was an independent director of CSCL is a matter of record.

50.3. Further, the CSCL premises in Uttarakhand were rented to Noticees 5, 6 and 7 before the IP.

50.4. There are following inconsistencies in the alleged transactions:

50.4.1. Against Rs.50 lakh received from Tirupati, Hari Om Singh transferred back Rs.61 lakh to Tirupati. (There is difference of Rs.11 Lakh)

50.4.2. Against Rs.85.4 Lakh given to Heena Enterprises by Hari Om Singh, Heena Enterprises transferred back only Rs.81 Lakh to Hari Om (There is a difference of Rs.4.40 Lakh)

50.4.3. As against total Sale value of Rs.1,08,34,600 of 2,28,000 shares, why

only Rs.85.4 Lakh was received by Hari Om Singh and where is the difference value of Rs.22,94,600.

50.5. Further, SEBI is silent on the fact as to from where did Hari Om Singh get Rs. 22,08,800 to purchase 48,000 shares of CSCL during the IP. Hence, the Noticees have contended that Hari Om Singh purchased shares using his own funds.

50.6. Noticee 9's son is an employee of CSCL. Noticees 1 and 2 called Noticee 9 as they know him as Mahant of Balaji temple and the calls must have been made for performing some rituals.

50.7. Noticee 2 does not know Satya Narayan Pathak and the local reference of Sachin Rastogi in his customer application form was given by Satya Narayan Pathak without asking Noticee 2.

Submissions of Noticee 9

51. With respect to the said alleged transactions, Noticee 9 has made the following submissions:

51.1. Noticee 9 requested for cross-examination of all persons whose statements have been relied upon and requested for several documents.

51.2. Noticee 9 is not connected and related with any entity other than in normal course of business.

51.3. There is no evidence in the SCN to establish his role in the alleged share price manipulation and taxes are paid by him for profits incurred on trades.

51.4. The shares were purchased from borrowed money from local contacts and returned after selling the shares. Copy of loan agreement with name of lender being Noticee 7 has been provided.

51.5. He sold entire shareholding after covering losses in respect of interest paid to lender.

51.6. The shares were purchased as it was the first listed company of Sambhal and he had heard about the company from a known person.

51.7. The broker's employee filled the wrong phone in his form and for email id he had requested Vivek Varshney to provide his id as he is not computer savvy and had no access to computer.

51.8. The buy/sell orders were placed by him through his mobile. The other mobile

number belongs to his son Gautam Singh, who is an employee of CSCL.

51.9. Noticee 9 received only one call from Noticee 1 and CDR should have been studied for longer period and he had never called Noticee 1 before the 1 call made.

Submissions of Noticee 12

52. With respect to the said alleged transactions, Noticee 12 has made the following submissions:

52.1. He knows Hari Om Singh who asked for his help to open an account.

52.2. Mobile number in Hari Om Singh's KYC could be mistake of broker.

Findings

53. Based on the submissions made by these Noticees, I note that all the Noticees have admitted their connections – Noticees 1 to 4 have admitted that they rented CSCL premises in Uttarakhand to Noticees 5 to 7 and that Noticee 7 was an independent director of CSCL, Noticees 1 and 2 have admitted to know Hari Om Singh (a temple priest) and his son, Noticee 9 and Noticee 12 have admitted that they know each other and Noticee 13 and Noticee 9 have also admitted to knowing each other. With respect to the connection drawn between Noticee 2 and Satya Narayan Pathak, I do not find the connection relevant to the alleged manipulative scheme as no specific role of Satya Narayan Pathak has been brought out other than the said connection with Noticee 2.

54. With respect to the calls by Noticees 1 and 2 to Noticee 9 and his son, Noticees 1 and 2 have stated that they called Noticee 9's son because he is an employee of CSCL and Noticee 9 was called only once or twice for performing rituals at their home. Further, Noticees 9 and 12 have stated that Noticee 12 helped Noticee 9 in opening his account and his email id was provided because Noticee 9 does not have access to the computer. With respect to the mobile number in the account opening form of Noticee 9, both Noticees 9 and 12 have said that this must be a mistake at the end of broker's employee and that trades were placed by Noticee 9. Noticee 13 has not responded to the SCN. Also, I note that during the investigation, Noticee 13,

vide email dated November 16, 2022, stated that she received funds from Hari Om Singh as advance for business deal but Hari Om Singh cancelled the deal and the amount was returned to him.

55. Noticees 9 and 13 have stated that Noticee 9 transferred funds (Rs. 85.4 lakh) to Noticee 13 as business advance for purchase of wheat but the deal was cancelled because of which the funds were returned in 11 days (Rs. 81 lakh through bank transfer and Rs. 4.5 lakh in cash). However, no documentary evidence with respect to the business deal have been provided by either Noticee. The amount (Rs. 85.4 lakh) so transferred without any agreement raises suspicion. This is more so because I note that there was no fund transfer between Noticee 9 and 13 in FY 2018-19 and FY 2020-21. Also, I note that there is no documentary proof submitted by Noticee 9 as proof that he runs an atta chakki/wheat business at such a large scale.

56. Additionally, it is strange that Hari Om Singh did not provide his son's email id (instead of that of Vivek Varshney) through which he has been corresponding during the current proceedings. While both Noticees 9 and 12 may state that the inclusion of a number belonging to one Satya Narayan Pathak's mobile number in the trading form of Noticee 9 may be an error on broker's end, not using the mobile number belonging to Hari Om Singh in the form only casts more doubts about the trading by Noticee 9. To add to this, the purchase of shares worth Rs.48.21 lakh on April 05, 2018 by a temple priest (who opened his trading account only on April 05, 2018, had a total income of about Rs. 39 lakh including profit on sale of CSCL shares in FY 2019-20, around Rs. 4 lakh in FY 2020-21 and FY 2021-22) after borrowing Rs. 50 lakh just because it is the first listed company of Sambal and told to him by someone is difficult to accept. Further, no trading activity of Noticee 9 in CSCL shares was observed prior to start and after end of IP except for his trades on April 05, 2018. Further, Noticee 9 had traded only in the scrip of CSCL during pre-IP, IP and post IP.

57. I also note that Hari Om Singh has made inconsistent statements during the investigation. In a statement made on February 21, 2023 to SEBI, Noticee 9 named one V K Jha whom he had approached to get funds of Rs. 50 lakh to build a new temple who suggested him to purchase CSCL shares and that he approached Noticee 5 for loan of Rs. 50 lakh to purchase CSCL shares. If Hari Om Singh had

approached V.K. Jha for funds to build a new temple then there was no reason to use the funds to purchase the shares of CSCL. The loan could have directly been used to build the temple.

58. Noticees 1 to 4 have also contended that the SCN does not clarify as to from where Noticee 9 received Rs. 22 lakh to purchase shares during the IP. The purchase of shares by Noticee 9 is summarised in the following table:

Table 7: Trading by Noticee 9

Particulars	No of shares bought	Total buy value (Rs.)	No of shares sold	Total sell value (Rs.)
Pre-IP (April 2018)	1,80,000	48,21,000	-	-
IP	48,000	22,08,800	2,28,000	1,08,34,600
Post IP	-	-	-	-

59. In this regard, I note from the trading pattern of Noticee 9 that Noticee 9 has alternately done series of sell and buy transactions. Further, I note that Noticee 9 availed funding from his broker as can be seen from his transaction ledger with the broker during the IP. Also, a direct connection of Noticee 9 with Noticees 1 to 4 is observed with direct calls of Noticees 1 and 2 with Noticee 9 and his son as well as Noticee 9's son being an employee of Noticee 3.

60. Further, with respect to the request of Noticee 9 to cross-examine all entities, vide email dated May 28, 2024, Noticee 9 was directed to provide the list of entities that he wants to cross-examine but no reply in this regard was received from Noticee 9.

Connections between Noticees 1 to 4 (Praveen Rastogi, Sachin Rastogi, PAPL, CSCL), Noticees 5 to 7 [Mohd. Idrees (Proprietor of Tirupati Enterprises), Momin Jahan (Proprietor of Jahan Enterprises), Mujaffar Khan (Proprietor of Shiv Enterprises)], Noticee 10 (Manish Kumar), Noticee 13 (Heena Khatoon, Proprietor Heena Enterprises) and Noticee 14 [Anju Devi (Proprietor of Shree Balaji Enterprises)]

Allegations

61. The SCN has alleged as follows:

61.1. Noticees 5 and 6 are spouses and Noticee 7 is their son. Further, Noticee 7 was an independent director of CSCL during November 01, 2017 to September 18, 2018. Noticee 1 had rented out three premises of Noticee 4 at Uttarakhand to Noticees 5 and 7 (during September 04, 2017 to August 03, 2018) and to Noticee 6 (during October 01, 2017 to August 31, 2018).

61.2. Noticee 10 shares common email id s****p.up@gmail.com with Noticee 14.

61.3. Noticee 10 shares common mobile no. xxxxxx5434 with Noticee 2, director of CSCL and PAPL. Noticee 2 is also part of promoter group of CSCL.

61.4. Noticee 10 received Rs. 40 lakh from Noticee 3 through Noticees 5 and 6 on April 04, 2018. On April 05, 2018, Noticee 10 purchased 1,52,000 shares for Rs. 40.56 lakh on April 05, 2018. During IP, Noticee 10 purchased 36,000 shares for Rs. 20.81 lakh and sold 1,80,000 shares for Rs. 1.01 crore. Of this, he transferred approximately Rs. 73.88 lakh to Noticee 13 and Rs. 48.8 lakh to Noticee 6. Further, Noticee 6 withdrew Rs. 48.7 lakh in cash on February 03, 2020. Noticee 10 also received Rs. 70.87 lakh from Noticee 13 on February 03, 2020.

61.5. Noticee 2 (mobile number xxxxxx5434) had 2 calls with Noticee 10 (mobile number xxxxxx8846) on January 12, 2023.

Submissions of Noticees 1 to 4

62. With respect to the said allegations, Noticees 1 to 4 have made the following submissions:

62.1. No money has gone to/come from any investor from Noticees 1 to 4.

62.2. There is no record to show that trading instructions were placed by Noticees 1 to 4 to brokers for investors/net sellers.

62.3. Noticees 5, 6, 7, 13 and 14 are vendors/buyers of CSCL and PAPL and the alleged transactions are business transactions with one-way transfer of funds.

62.4. The transfer of funds from Noticee 3 to Noticee 5 during March-April 2018 were business transactions with one-way transfer of funds and are supported by GST payments. Copies of relevant invoices/bills of supply have been provided to SEBI by Noticees 1 to 4.

62.5. Renting of premises by Noticee 4 to Noticees 5, 6 and 7 does not pertain to the investigation period.

62.6. The call between Noticees 1 and 10 during October 2022 to March 2023 were because Noticee 10 called Noticee 1 after receiving SEBI notice to understand whom Noticee 10 could take help with respect to the case.

62.7. Noticee 2 has no relation with Noticee 10 and is not aware that his mobile number appears in the AOF of Noticee 10. The Noticees have drawn attention to statement of Noticee 10 wherein he stated that he had given blank signed account opening form KYC along with Aadhar and PAN to agent of Bhaijee Portfolio Ltd.

62.8. SEBI is silent on the fact as to from where did Noticee 10 get Rs. 20,81,000 (to purchase 36,000 shares of CSCL) during IP.

62.9. With respect to Noticee 2 sharing common mobile number xxxxxx5434 with Noticee 10, Noticees 1 to 4 have stated that Noticee 2 is shocked to know that his mobile number is appearing on the account opening form of Noticee 10 with Bhaijee Portfolio broker. In this respect, the Noticees have drawn reference to the statement of Noticee 10 recorded during the investigation to emphasise that Noticee 10 had given blank signed account opening form KYC along with Aadhar and PAN to agent of Bhaijee Portfolio Ltd. Further, Noticee 2 has stated that he did not receive any alert/notifications related to trades of Noticee 10.

<u>Submissions of Noticee 10</u>

63. With respect to the said allegations, Noticee 10 has made the following submissions:

63.1. There were loan advances to Noticee 13 who was known to him since last two years and had advanced loans to her in personal business capacity only for 15 days.

63.2. Shares were purchased by borrowing money from local contacts and duly returned the same after selling the shares. Copy of loan agreement with Noticee 6 has been provided.

63.3. He is neither in touch with promoters or traders of CSCL. Copy of all documents requested has not been provided.

63.4. The shares were purchased as it was the first listed company of Sambhal and

he had heard about the company from a known person. The broker employee filled the wrong phone number and email id in his form. The buy/sell orders were placed by him through his mobile.

63.5. Noticee 10 does not know Noticees 3 and 4 and its promoters and he called them after procuring Noticee 1's number after receiving SEBI's summons regarding investigation in the scrip. CDR should have been studied for longer period and he had never called Noticee 1 before the 1 call made.

63.6. Copy of income tax returns discharging income tax liability have been provided. Bank transactions with Noticee 13 are accepted and they were all in normal course of business.

Submission of Noticee 14

64. Noticee 14 has made the following submissions with respect to her connection with Noticees 1 to 4 and Noticee 13:

64.1. She is connected to Praveen Rastogi who is her son-in-law.

64.2. Trading in goods was done with CSCL, Heena Enterprises and PAPL and such trades were disclosed in Shree Balaji's GST and Income tax returns.

Findings

65. Based on the submissions made by these Noticees, I note that the Noticees have admitted certain connections – Noticees 1 to 4 have admitted that they rented CSCL premises in Uttarakhand to Noticees 5 to 7 and that Noticee 7 was an independent director of CSCL, Noticee 6 and 10 have acknowledged the presence of a loan agreement between them, Noticees 1, 2 and 14 are relatives and Noticee 3 and 4 have business connections with Noticee 13.

66. Noticees 1, 2 and 10 have denied any connection among each other stating that Noticees 1 and 2 received calls from Noticee 10 after he was summoned by SEBI during the investigation. However, I note that Noticee 1 had 11 calls with Noticee 10 during October 2022–February 2023. I cannot fathom why 11 calls were required over such a long period to understand whom Noticee 10 could take help with respect to the case. Further, Noticees 10 and 14 have not provided any response regarding

common email id s****p.up@gmail.com of Noticees 10 and 14. With respect to the common mobile number of Noticee 2 and Noticee 10, Noticee 2 has claimed ignorance and has stated that he did not receive any alert/notifications related to trades of Noticee 10. I find that Noticee 2's claim of not receiving any alert is in contradiction to the evidence on record, i.e., copy of SMS logs received by Noticee 2 with respect to trades in the account of Noticee 10. Hence, I find Noticee 2's statement regarding receiving no alerts to be without merit. Further, the Noticees 1 to 4 have drawn reference to the statement of Noticee 10 recorded during the investigation to emphasise that Noticee 10 had given blank signed account opening form KYC along with Aadhar and PAN to agent of Bhaijee Portfolio Ltd. However, as Noticee 10 did not make himself available for cross-examination by Noticees 1 to 4 during the current proceedings, I am constrained to not place any reliance on any statement made by the Noticee 10 with respect to allegations against Noticees 1 to 4 during the investigation. Additionally, sharing of common email id by Noticee 10 and 14 (who is relative of Noticee 2) indicates that Noticees 2, 10 and 14 are connected with each other.

67. The SCN has alleged that Noticee 10 received Rs. 40 lakh from Noticee 3 through Noticees 5 and 6 on April 04, 2018. On April 05, 2018, Noticee 10 purchased 1,52,000 shares for Rs. 40.56 lakh. During IP, Noticee 10 purchased 36,000 shares for Rs. 20.81 lakh and sold 1,80,000 shares for Rs. 1.01 crore. Of this, he transferred approximately Rs. 73.88 lakh to Noticee 13 and Rs. 48.8 lakh to Noticee 6. Further, Noticee 6 withdrew Rs. 48.7 lakh in cash on February 03, 2020. Noticee 10 also received Rs. 70.87 lakh from Noticee 13 on February 03, 2020. I note that the annual income of Manish Kumar as per his AOF with Bhaijee Portfolio Ltd. is Rs. 5 to 10 lakh.

68. Noticee 10 has contended that he received Rs. 40 lakh from Noticees 5 and 6 in 2018 for trading in shares of CSCL. I note that Noticee 10 opened his trading account on April 05, 2018 and purchased shares worth Rs. 40.56 lakh on the same day. As per Noticee 10's submission, the shares were purchased after taking loan from Noticees 6 (wife of Noticee 5) at a rate of 12% interest per annum for a period of 1 year. It is extremely strange that a person with declared income of Rs. 1-5 lakh per

annum would borrow Rs. 40 lakh and invest it in shares of a company listed in SME segment of NSE just because it happens to be the first listed company of his town and was recommended to him by a known person. Also, the loan was procured from Noticee 6, whose son was independent director of CSCL at the time of advance of loan.

69. With respect to the transfer of Rs. 73.88 lakh to Noticee 13 and receipt of Rs. 70.87 lakh from Noticee 13, Noticee 10 had stated that the amount was provided to Noticee 13 as an unsecured loan. Noticee 13 did not reply to the SCN but during the investigation, she informed that she borrowed from Noticee 10 and returned them when required. However, I note that during the investigation, Noticee 13 stated that she knows Noticee 10 very well but Noticee 10 stated that he advanced loans to her at the insistence of Noticee 5. Also, neither Noticee 10 nor Noticee 13 has produced any loan agreement with respect to the said loan. Additionally, the narrative that Noticee 10 with an annual income of Rs. 1-5 lakh who borrowed Rs. 40 lakh to purchase shares can advance Rs. 73.88 lakh to Noticee 13 without documentation does not add up by any logic. In view of the contradictory statements and the fact that it is extremely unlikely for anyone to extend such huge amount of loan without any agreement, I find merit in the allegations levelled against the Noticees 10 and 13.

70. Further, Noticees 1 to 4 have also contended that the SCN does not clarify as to from where Noticee 10 received Rs. 20,81,000 (to purchase 36,000 shares of CSCL) during IP. The purchase of shares by Noticee 10 is summarised in the following table:

Table 8: Trading by Noticee 10

Particulars	No of shares bought	Total buy value (Rs.)	No of shares sold	Total sell value (Rs.)
Pre-IP	1,52,000	40,55,600	8,000	1,04,000
IP	36,000	20,81,000	1,80,000	1,00,50,600
Post-IP	-	-	-	-

71. In this regard, I note from the trading pattern of Noticee 10 that Noticee 10 has alternately done series of sell and buy transactions. Further, I note that Noticee 10 availed funding from his broker as can be seen from his transaction ledger with the

broker during the IP. Further, considering the common mobile number of Noticee 2 with that of Noticee 10 and common email of Noticee 9 and Noticee 14 and based on preponderance of probabilities, I find that a connection between Noticee 10 and Noticees 1 to 4 emerges to suggest that trading in the account of Noticee 10 was part of the scheme devised to profit from the manipulation of share price of CSCL.

Connections between Noticees 1 to 4 (Praveen Rastogi, Sachin Rastogi, PAPL, CSCL), Noticee 8 (Rajesh Pal) and Noticee 11 (Vijay Prakash Gupta, Proprietor of Aashi Traders)

Allegations

72. The SCN has alleged as follows:

72.1. Vijay Prakash Gupta received Rs. 50 lakh from PAPL through Aashi Traders (the proprietary firm of Vijay Prakash Gupta) on March 31, 2018. Then, Vijay Prakash Gupta purchased 1,92,000 shares of CSCL worth Rs. 49.65 lakh on April 04, 2018 and April 05, 2018. During IP, Vijay Prakash Gupta purchased 4,000 CSCL shares for Rs. 1,64,000 and sold all the 1,96,000 shares for Rs. 71.08 lakh.

72.2. During IP, Vijay Prakash Gupta transferred proceeds of Rs. 68 lakh to Aashi Traders and of these, Rs. 28 lakh was transferred by Aashi Traders to PAPL in January 2020.

72.3. Noticee 11 shares common mobile number xxxxxx9083 with Noticee 8 as observed in account opening form of Noticee 8 held in Bhaijee Portfolio Ltd.

Submissions of Noticee 1 to 4

73. With respect to the said allegations, Noticees 1 to 4 have made the following submissions:

73.1. Aashi Traders is vendor of PAPL. The transactions between PAPL and Aashi Traders were business transactions in 2018 (for Rs. 70 lakh) and 2020 (for Rs. 28 lakh) with one way transfer of funds. Further, the transactions done in 2018 and 2020 cannot be connected as there is a difference of Rs. 42 lakh in the transaction amounts. The transactions are supported by GST payments and copies of relevant invoices/bills of supply have been provided to SEBI.

73.2. There is no record to show that trading instructions were placed by Noticees

1 to 4 to brokers for investors/net sellers.

73.3. SEBI is silent as to how Vijay Prakash Gupta got Rs. 1,64,000 to purchase additional 4,000 shares of CSCL.

Findings

74. I note that Noticee 11 is a supplier of goods to Noticee 3 and he received Rs. 50 lakh from Noticee 3 on March 31, 2018. Noticee 11 opened his trading account on April 04, 2018 and purchased shares of CSCL for Rs. 49.65 lakh on April 04-05, 2018. I also note that no trading activity of Noticee 11 was observed in equity shares of any company other than CSCL during pre-IP, IP and post IP. The trading activity of Noticee 11 in CSCL scrip is summarised in the following table:

Table 9: Trading by Noticee 11

Particulars	No. of shares bought	Total buy value (Rs.)	No. of shares sold	Total sell value (Rs.)
Pre-IP	1,92,000	49,65,200	-	-
IP	4,000	1,64,000	1,96,000	71,08,800
Post-IP	-	-	-	-

75. Subsequently, during IP, after sale of shares of CSCL, Noticee 11 transferred Rs. 68 lakh to Aashi Traders and Aashi Traders transferred Rs. 28 lakh to PAPL in January 2020.

76. However, I note that fund transactions between Aashi Traders and PAPL are supported by e-way bills. Hence, at this stage, even though this trading activity is suspicious, I do not find that it proves the allegations that Noticee 1 provided funds for initial cost of acquisition of shares of CSCL to Vijay Prakash Gupta.

77. However, Noticee 11 sharing common mobile number xxxxxx9083 with Noticee 8 points towards possible role of Noticee 11 in the alleged manipulation and is brought out in subsequent paragraphs where role of Noticee 8 is discussed.

Connections between Noticees 1 to 4 (Praveen Rastogi, Sachin Rastogi, PAPL, CSCL), Noticees 5 to 7 [Mohd. Idrees (Proprietor of Tirupati Enterprises), Momin Jahan (Proprietor of Jahan Enterprises), Mujaffar Khan (Proprietor of Shiv Enterprises)], Noticee 8 (Rajesh Pal), Noticee 11 (Vijay Prakash Gupta, Proprietor of Aashi Traders) and Noticee 13 (Heena Khatoon, Proprietor Heena Enterprises)

Allegations

78. The SCN has alleged as follows:

78.1. Noticees 5 and 6 are spouses and Noticee 7 is their son. Further, Noticee 7 was an independent director of CSCL during November 01, 2017 to September 18, 2018. Noticee 1 had rented out three premises of Noticee 4 at Uttarakhand to Noticees 5 and 7 (during September 04, 2017 to August 03, 2018) and to Noticee 6 (during October 01, 2017 to August 31, 2018).

78.2. Rajesh Pal is the proprietor of Rajesh Enterprises and Noticee 1, on behalf of Noticee 3, has signed as witness to nomination made by Noticee 8 in the account opening form held in SBI.

78.3. Rajesh Pal shares common mobile number xxxxxx4864 with Noticees 5, 6 and 7 (as per account opening form for trading account with Bhaijee Portfolio Ltd.) and xxxxxx9083 with Noticee 11 (as per demat account opening form with Bhaijee Portfolio Ltd.).

78.4. Rajesh Pal received Rs. 50 lakh from PAPL on April 03, 2018 through Tirupati Enterprises. Tirupati Enterprises (Proprietor Mohd. Idrees) had received various credits from PAPL during March-April 2018. Rajesh Pal purchased 1,84,000 shares of CSCL on April 04-05, 2018 for Rs. 48.2 lakh. During IP, Rajesh Pal purchased 1,88,000 shares of CSCL for Rs. 1.4 crore and sold all the 3,72,000 shares for Rs. 2.72 crore. During IP, Rajesh Pal transferred the proceeds of Rs. 88 lakh from sale of shares of CSCL to Heena Enterprises (Proprietor Heena Khatoon). Rajesh Pal received Rs. 86 lakh from Heena Enterprises (Proprietor Heena Khatoon) and transferred Rs. 76 lakh to his proprietary account, viz., Rajesh Pal Enterprises. Rajesh Pal withdrew Rs. 33 lakh in cash from his account on February 05, 2020 and Rs. 43 lakh on February 11, 2020.

Submissions of Noticees 1 to 4

79. With respect to the said allegations, Noticees 1 to 4 have made the following submissions:

    79.1. No money has gone to/come from any investor from Noticees 1 to 4.

    79.2. There is no record to show that trading instructions were placed by Noticees 1 to 4 to brokers for investors/net sellers.

    79.3. Noticees 5, 6, 7, 13 and 14 are vendors/buyers of CSCL and PAPL and the alleged transactions are business transactions with one-way transfer of funds.

    79.4. The transfer of funds from Noticee 3 to Noticee 5 during March-April 2018 were business transactions with one-way transfer of funds and are supported by GST payments. Copies of relevant invoices/bills of supply have been provided to SEBI by Noticees 1 to 4.

    79.5. Renting of premises by Noticee 4 to Noticees 5, 6 and 7 does not pertain to the investigation period.

    79.6. Praveen Rastogi signed on behalf of PAPL as witness to nomination made by Rajesh Pal in account opening form held in SBI as Noticee 5 approached Praveen Rastogi and took his signature as witness to nomination in AOF of Rajesh Pal.

    79.7. SEBI is silent as to from where did Rajesh Pal get Rs. 1,39,89,800 to purchase 1,88,000 shares of CSCL) during IP.

Findings

80. Noticees 5, 6, 7, 8 and 13 have not replied to the SCN. However, during the investigation, Noticees 8, inter alia, stated that he does not know any of the Noticees other than Noticee 13 to whom he transferred funds because he purchased some commodities from her but as he did not have GST registration, the delivery failed and money was returned to him by Noticee 13. However, I find that neither Noticee 8 nor 13 have provided any documentary evidence for the agreement between them for purchase of goods. Further, no explanation is on record for transfer of funds from Noticee 5 to Noticee 8 and for Rajesh Pal sharing common mobile number xxxxxx4864 with Noticees 5, 6 and 7 and xxxxxx9083 with Noticee 11. Also, I find that Noticee 1 has stated that he signed on behalf of PAPL as witness to nomination made by Rajesh Pal in account opening form held in SBI just because Noticee 5

approached Praveen Rastogi and took his signature as witness to nomination in AOF of Rajesh Pal. Hence, I find that a connection of Noticee 1 with Noticee 8 is established. Additionally, the fact that Rajesh Pal opened his trading account on April 04, 2018 and purchased 1.84 lakh shares of CSCL on April 04-05, 2018 for Rs. 1.4 crore with no trading activity of Noticee 8 in any other scrip during pre-IP and IP further strengthens the argument that Noticee 8 traded as part of the scheme devised to benefit from manipulation of price and volume of CSCL shares, especially considering that his income as per KYC records is Rs. 1-5 lakh. With respect to the Noticees 1 to 4's contention that SEBI is silent with respect to where Noticee 8 received Rs. 1.4 crore to buy CSCL shares during IP, I note from the trading pattern of Noticee 8 that Noticee 8 has alternately done series of sell and buy transactions. Further, I note that Noticee 8 availed funding from his broker as can be seen from his transaction ledger with the broker during the IP. Further, Noticee 11 sharing common mobile number with Noticee 8 points to involvement of Noticee 11 in the trades of Noticee 8 wherein SMS updates in the demat account of Noticee 8 would be going to Noticee 11 and trading account to Noticees 5, 6 and 7. Thus, considering the findings elaborated in this paragraph, I find that even though Noticees 1 to 4 have produced e-way bills in support of fund transfers to Noticee 5, at this stage Noticees 1 to 4 cannot be absolved of the allegations against Noticees 1 to 4 with respect to trading in CSCL shares by Noticee 8.

Connection between Noticees 15 (Pradeep Narendra Bhatt) and 16 (Vijay Pujara)

Allegations

81. The SCN has alleged as follows:
    - 81.1. Calls were made between Noticees 15 and 16 on April 18, 2022, April 19, 2022 and June 22, 2022.
    - 81.2. In a statement recorded under oath, Noticee 15 stated that he knows Noticee 16 since 2014 and had called Noticee 16 at the end of December 2019 wherein he stated that he was trading in the scrip of CSCL.

Submissions of Noticee 15

82. Noticee 15 appeared for hearing through his Authorized Representative (AR) Advocate Rinku Valanju on June 21, 2024. The AR was directed to make final

submissions by July 14, 2024. However, no reply was received from Noticee 15 thereafter. Nevertheless, during the hearing, his AR filed an unsigned reply dated June 21, 2024 on behalf of Noticee 15. Further, during the hearing, the AR of the Noticee made submissions in line with this reply. Hence, I consider it appropriate to place reliance on the oral submissions made by the Noticee's AR during the hearing held on June 21, 2024. In the said hearing, the Noticee's AR denied the allegations levied at the Noticee in the SCN, inter alia, stating as follows:

82.1. The Noticee knows Vijay Pujara but mere connection without any proof of fraud does not mean anything.

82.2. The calls pertain to 2022 and cannot have any impact on scrip under investigation.

82.3. There are neither any fund transfers between Noticee 15 and 16 or his mule entities nor any demat transfers which could lead to the allegation that the Noticee 15 is connected to Noticee 16.

83. Further, Noticee 15 has placed reliance on the following case laws:

83.1. *Nishith M Shah HUF vs. SEBI* (Order of Hon'ble SAT) to contend that there must be evidence to show collusion between the buyer and seller.

83.2. *Balram Garg vs. SEBI* in Civil Appeal no. 7054 of 2021 (Order of Hon'ble Supreme Court) to contend that merely because a person was related to the connected person cannot be itself a foundation fact to draw an inference.

<u>Submissions of Noticee 16</u>

84. With respect to the said allegations, Noticee 16 has made the following submissions:

84.1. The connection with Noticee 15 is vague as the calls were not made during the investigation period.

84.2. Knowing Noticee 15 does not mean that he along with Noticee 15 manipulated the price of the scrip of CSCL and there are no fund or financial transactions with Noticee 15.

84.3. Noticee 16 did not receive any call from Noticee 15 in December 2019 and Noticee 16 cannot be held liable if Noticee 15 executed manipulative trades in 2020 and Noticee 16 met Noticee 15 in 2024.

85. Additionally, Noticee 16 demanded cross-examination of Noticee 15.

Findings

86. I note that Noticee 15 and 16 have not contended the fact that they know each other. However, both the Noticees have contended that mere connection is not enough to prove fraud or collusion. Further, Noticees 15 and 16 have contended that the calls were made post IP. In this regard, I note that call data records for the period prior to March 01, 2022 are not available on record. However, a connection established based on call data records for post IP period cannot be ignored along with other factors. Further, I note that cash deposits to the tune of approximately Rs.69 lakh were observed during FY 2019-20 in the ICICI Bank A/c xxxxxxxx9717 of Vijay Pujara. Certain cash deposits amounting to Rs. 49,000 were made from ICICI ATM in Mumbai on December 09, 2018, February 07, 2020 and February 17, 2020 and this ATM is located in the vicinity of residential address of Noticee 15 in Mumbai. Hence, despite the same being a remote evidence, due to the pattern of trades by Noticee 15 and 8 MAs of Noticee 16 as well as the circumstances of the case, I find that funds were transferred by Noticee 15 to Noticee 16 during the IP and that Noticee 15 was the link between Noticees 1 and 2 and Noticee 16. Details of the trading pattern of Noticee 15 and MAs of Noticee 16 are discussed at para 90-104 of this Order. Further, no opportunity to cross-examine any entity has been provided to these Noticees as Noticee 16 filed his reply as late as September-October 2024 despite SCN dated February 28, 2024 having been served on him by July 2024 and repeated opportunities of hearing were granted to Noticee 16 from July 2024 onwards as detailed at Table 4 of this Order. Also, no reliance has been placed on the statement of Noticee 15 made during the investigation with respect to his statements concerning Noticee 16.

Trading in CSCL shares by Noticee 12 (Vivek Kumar Varshney)

Allegations

87. The SCN has alleged as follows:

87.1. Noticee 12 is part of promoter group of CSCL and had shareholding of 2,10,000 shares for quarter ended December 2019.

87.2. During IP, he sold 44,000 shares for Rs. 37.45 lakh on January 30-31, 2020 and February 05, 2020. As the trade value exceeded Rs.10 lakh for quarter

ended March 2020, Vivek Kumar Varshney was required to file disclosure to the company within two trading days as required under Regulation 7(2)(a) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter, referred to as PIT Regulations). Further, the company is required to notify such trading to the Exchange within two trading days of receipt of the disclosure or from becoming aware of such information as stipulated under Regulation 7(2)(b) of PIT Regulations. However, this disclosure was not made by Noticee 12 with respect to the sale of shares of CSCL.

Submissions of Noticee 12

88. With respect to the said allegations, Noticee 12 has stated that he is not aware of the liability to inform company about his selling shares.

Findings

89. Noticee 12 has stated that he did not know that he had a liability to inform the company. In this regard, as postulated by legal maxim "*ignorantia juris non excusat*", ignorance of law is no excuse and everyone is presumed to know the law of the land. A person cannot defend violations by stating that he was not aware his actions were violative of the law, even if he honestly believed that they were in compliance with the law. Therefore, I do not find any merit in Noticee 12's contention and hold him liable for violating regulation 7(2)(a) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the PIT Regulations). Additionally, the fact that Noticee 12 is a connected person of Noticee 1 and 14 by being their brother-in-law and son, respectively, and that his email id has been provided in the account opening form of trading account of Noticee 9, indicates that Noticee 12 was a part of the scheme devised to profit by manipulating CSCL share price and volume.

Trading by Alleged Mule Accounts and Pradeep Narendra Bhatt in the CSCL scrip

90. During the investigation period, the price of the scrip increased from close price of Rs.12.90 on December 05, 2019 to close price of Rs.98.60 on February 05, 2020, i.e., the price increased by 664.34%. The tradeable market lot size for CSCL was 4,000 shares during IP. Details of price-volume analysis in the scrip of CSCL during the investigation period are given in the following table:

Table 10: Price Volume Analysis in CSCL scrip during pre-IP, IP and post-IP

Period	Duration	Price/ Vol	Opening price/vol	Closing price/ vol	Low price / vol	High price/ vol	Avg. no. of shares traded daily during the period	Total traded quantity
Pre-investigation period	September 5, 2019 to December 4, 2019	**Price (Rs.)**	13.8	12.5	11.85	13.8	8,800	44,000
		Volume	12,000	4,000	4,000	12,000		
Investigation period	December 5, 2019 to February 5, 2020	**Price (Rs.)**	12.8	98.6	12.8	98.7	1,89,688.89	85,36,000
		Volume	84,000	3,24,000	84,000	3,24,000		
Post Investigation period	February 6, 2020 to May 5, 2020	**Price (Rs.)**	101.4	14.3	10.75	102.2	14,182.22	7,23,293*
		Volume	3,16,000	43,329	93,324	3,16,000		

**The market lot size of CSCL was adjusted to 6,666 shares w.e.f. February 13, 2020 on account of bonus issue by CSCL and to 3,333 with effect from March 03, 2020.*

91. The SCN has alleged that 8 entities (MAs of Vijay Pujara) were observed to have contributed Rs.39.90 (i.e. 26.11%) to the market positive LTP (Last Traded Price) and Rs.29.65 (i.e. 34.4%) to the net positive LTP of Rs. 86.2 as buyers. In 213 out of total 218 trades, this group traded amongst themselves and contributed Rs.37.85 (i.e. 24.77%) to the market positive LTP of Rs.152.8. Further, these 8 entities also contributed 25.35% and 22.68% to market volume through synchronized and reversal trades, respectively. Additionally, these 8 entities contributed Rs. 18.80 (i.e., 21.89%) to market NHP during IP. Through the first trades of the 8 MAs, there was

a contribution of Rs.11.85 to market positive LTP. Also, out of Rs.11.85 contributed to market positive LTP, these 8 MAs contributed Rs.10.75 (i.e. 90.72%) through first trades among group.

92. Further, the SCN has alleged that Pradeep Narendra Bhatt contributed Rs.10.25 to the total market positive LTP (i.e. 6.71% of market positive LTP of Rs.152.8) through 22 positive LTP trades. In 6 out the 22 positive LTP trades, Noticee 15 repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell order. The LTP contributed through such 6 trades was Rs.7.85 (i.e. 5.14% of total market positive LTP of Rs.152.8). These 6 trades were also placed as first trades for the day. Also, Noticee 15 contributed Rs.8.15, i.e., 9.49% to market NHP through 11 positive LTP trades.

93. The trading details of suspected entities as brought out in the SCN are summarised in the following table:

Table 11: Trading details of suspected entities

Sl. No	Name	Buy Traded Qty.	% of total buy traded qty.	Sell Traded Qty.	% of total sell traded qty
1	Pradeep Narendra Bhatt	3,32,000	3.89%	3,32,000	3.89%
2	Hari Om Singh	48,000	0.56%	2,28,000	2.67%
3	Manish Kumar	36,000	0.42%	1,80,000	2.11%
4	Rajesh Pal	1,88,000	2.20%	3,72,000	4.36%
5	Vijay Prakash Gupta	4,000	0.05%	1,64,000	1.92%
6	Vivek Kumar Varshney	0	0%	44,000	0.52%
7	Dinesh Thakur	2,92,000	3.42%	2,92,000	3.42%
8	Keyur Parmar	5,56,000	6.51%	5,56,000	6.51%
9	Anurudhkumar Yadav	5,04,000	5.90%	5,04,000	5.90%
10	Anand Soni	2,60,000	3.05%	2,60,000	3.05%
11	Ritu Mehta	5,00,000	5.86%	5,00,000	5.86%
12	Dhaval Gadani	8,000	0.09%	8,000	0.09%
13	Sharda Sharma	68,000	0.80%	68,000	0.80%
14	Shibakumar Tyagi	68,000	0.80%	68,000	0.80%
Total		**28,64,000**	**33.55%**	**35,76,000**	**41.89%**

Sl. No	Name	Buy Traded Qty.	% of total buy traded qty.	Sell Traded Qty.	% of total sell traded qty
Market Total		**85,36,000**	**100%**	**85,36,000**	**100%**

Price and Volume Manipulation

94. The LTP contributing trades of the alleged MAs are provided in the following table:

Table 12: LTP contributing trades of the alleged MAs

Client Name	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		% Positive Ltp
	Ltp Rate	Traded Qty	No. Of Trades	Ltp Rate	Traded Qty	No. Of Trades	Ltp Rate	Traded Qty	No. Of Trades	Traded Qty	No. Of Trades	
Anurudhkumar Yadav	7.45	5,04,000	101	8.90	2,28,000	45	-1.45	1,04,000	19	1,72,000	37	5.82%
Ritu Mehta	6.60	5,00,000	102	9.70	2,36,000	46	-3.10	1,64,000	35	1,00,000	21	6.35%
Keyur Parmar	5.20	5,56,000	115	8.00	2,44,000	53	-2.80	1,44,000	27	1,68,000	35	5.24%
Dinesh Thakur	5.15	2,92,000	66	6.80	1,04,000	24	-1.65	96,000	22	92,000	20	4.45%
Anand Soni	2.50	2,60,000	56	3.45	1,48,000	31	-0.95	36,000	7	76,000	18	2.26%
Shibakumar Tyagi	1.85	68,000	17	1.95	44,000	11	-0.10	4,000	1	20,000	5	1.28%
Dhaval Gadani	0.50	8,000	2	0.50	8,000	2	0.00	0	0	0	0	0.33%
Sharda Sharma	0.40	68,000	11	0.60	32,000	6	-0.20	16,000	2	20,000	3	0.39%
Total	**29.65**	**22,56,000**	**470**	**39.9**	**10,44,000**	**218**	**-10.25**	**5,64,000**	**113**	**6,48,000**	**139**	**26.11%**
Market Total	**86.20**	**85,36,000**	**1,892**	**152.80**	**27,52,000**	**616**	**-66.60**	**19,44,000**	**409**	**38,40,000**	**867**	**100.00%**

From the above table, it is seen that the alleged MAs contributed Rs.39.90 (i.e. 26.11%) to the market positive LTP of Rs.152.8 and Rs.29.65 (i.e. 34.4%) to the net positive LTP of Rs.86.2 as buyers.

95. The contribution to positive and net LTP through trades amongst the alleged 8 MAs themselves is given below:

Table 13: Contribution to positive and net LTP through trades amongst alleged MAs

Sl.No	Name of entity	Mkt Positive LTP through trades among group (Rs.)	% Mkt Positive LTP through trades among group	Net Positive LTP through trades among group (Rs.)	% Net Positive LTP through trades among group
1.	Anurudhkumar Yadav	8.9	5.82%	7.45	8.64%
2.	Ritu Mehta	9.25	6.05%	6.15	7.13%
3.	Keyur Parmar	6.4	4.19%	3.6	4.18%
4.	Dinesh Thakur	6.8	4.45%	5.15	5.97%
5.	Anand Soni	3.45	2.26%	2.5	2.90%
6.	Shibakumar Tyagi	1.95	1.28%	1.85	2.15%
7.	Dhaval Gadani	0.5	0.33%	0.5	0.58%
8.	Sharda Sharma	0.6	0.39%	0.4	0.46%
Total		**37.85**	**24.77%**	**27.6**	**32.02%**
Market Total		**152.80**	**100%**	**86.20**	**100%**

From the above table, it is seen that by trading among themselves the alleged MAs contributed Rs.37.85 (i.e. 24.77%) to the market positive LTP of Rs.152.8 and Rs.27.6 (i.e. 32.01%) to the net positive LTP of Rs.86.2.

96. Details of NHP contributed by the alleged MAs are given below:

Table 14: Contribution to NHP by alleged MAs

Buyer Name (PAN)	Sum of NHP Qty	No of trades	Sum of NHP qty among group	No of trades among group	NHP Contribution (in Rs.)	% of total market NHP	NHP Contribution among group	Contribution To NHP In Buy Order First Trades With Non-Group Entities
Anurudhkumar Yadav	88,000	18	88,000	18	6.00	6.98%	6.00	0
Dinesh Thakur	64,000	15	64,000	15	5.55	6.46%	5.55	0
Keyur Parmar	88,000	21	80,000	19	3.20	3.73%	2.05	1.10
Shibakumar Tyagi	36,000	9	36,000	9	1.85	2.15%	1.85	0
Ritu Mehta	64,000	13	60,000	12	1.65	1.92%	1.45	0.20
Anand Soni	32,000	8	32,000	8	0.50	0.58%	0.50	0
Dhaval Gadani	4,000	1	4,000	1	0.05	0.06%	0.05	0
Total	**3,76,000**	**85**	**3,64,000**	**82**	**18.80**	**21.89%**	**17.45**	**1.30**
Market total	**11,16,000**	**259**	**11,16,000**	**259**	**85.90**	**100.00%**	**-**	**-**

From the above table, it is observed that the alleged MAs contributed Rs.18.80 (i.e., 21.89%) to market NHP. In trades within the group, the alleged MAs contributed Rs.17.45 to market NHP (i.e. 20.31% of market NHP). It is also observed that out of total 3,76,000 shares traded by group, 3,64,000 shares (i.e. 96.81%) were traded

within the group.

97. Details of first trades by alleged MAs are given in the following table:

Table 15: First trades by alleged MAs

Entity (PAN)	Total No. of First Trades	Traded Qty. First Trades	No. of First Trades at Positive LTP	Net LTP	Positive LTP	No. of First Trades among group members	Positive LTP Contribution in First Trades among group
Dinesh Thakur	4	16,000	4	3.85	3.85	4	3.85
Anurudhkumar Yadav	3	12,000	3	4.90	4.90	3	4.90
Shibakumar Tyagi	3	12,000	3	1.50	1.50	3	1.50
Dhaval Gadani	2	8,000	2	0.50	0.50	2	0.50
Keyur Parmar	1	4,000	1	1.10	1.10	0	0.00
Total	**13**	**52,000**	**13**	**11.85**	**11.85**	**12**	**10.75**
Market total	**45**	**1,92,000**	**45**	**59.65**	**59.65**		

From the above table, it is seen that the first trades of alleged MAs contributed Rs.11.85 to market positive LTP. Out of Rs.11.85 contributed to market positive LTP, Rs.10.75 (i.e. 90.72%) was contributed through first trades among group.

98. Details of entity-wise synchronized trades are given below:

Table 16: Synchronized trades by MAs

Buyer Name	Seller Name	Synchronized Quantity	Sum Of Ltp Diff	Number Of Days	Number Of Trades	%Market volume
Shibakumar Tyagi	Dinesh Thakur	32,000	1.00	6	8	0.37%
Shibakumar Tyagi	Anurudhkumar Yadav	4,000	0.10	1	1	0.05%
Shibakumar Tyagi	Ritu Mehta	4,000	0.00	1	1	0.05%
Shibakumar Tyagi	Keyur Parmar	28,000	0.75	5	7	0.33%
Dinesh Thakur	Shibakumar Tyagi	40,000	1.05	5	10	0.47%
Dinesh Thakur	Anurudhkumar Yadav	1,72,000	3.90	12	37	2.01%
Dinesh Thakur	Sharda Sharma	8,000	-0.05	1	1	0.09%
Dinesh Thakur	Ritu Rahul Mehta	24,000	0.30	4	6	0.28%
Dinesh Thakur	Dhaval Gadani	4,000	-0.05	1	1	0.05%
Dinesh Thakur	Keyur Parmar	32,000	0.10	4	8	0.37%
Anurudhkumar Yadav	Shibakumar Tyagi	4,000	0.05	1	1	0.05%
Anurudhkumar Yadav	Dinesh Thakur	1,48,000	0.45	12	30	1.73%
Anurudhkumar Yadav	Sharda	4,000	0.00	1	1	0.05%
Anurudhkumar Yadav	Ritu Mehta	32,000	0.65	4	6	0.37%
Anurudhkumar Yadav	Keyur Parmar	2,76,000	5.40	20	53	3.23%
Anurudhkumar Yadav	Anand Soni	32,000	0.90	5	8	0.37%
Sharda Sharma	Anurudhkumar Yadav	12,000	0.05	1	2	0.14%
Sharda Sharma	Ritu Mehta	36,000	0.30	2	6	0.42%
Sharda Sharma	Keyur Parmar	20,000	0.05	1	3	0.23%

Buyer Name	Seller Name	Synchronized Quantity	Sum Of Ltp Diff	Number Of Days	Number Of Trades	%Market volume
Ritu Mehta	Dinesh Thakur	52,000	0.45	7	10	0.61%
Ritu Mehta	Anurudhkumar Yadav	36,000	0.40	4	6	0.42%
Ritu Mehta	Sharda Sharma	24,000	-0.20	1	3	0.28%
Ritu Mehta	Keyur Parmar	1,56,000	2.45	10	32	1.83%
Ritu Mehta	Anand Soni	2,16,000	3.10	13	47	2.53%
Dhaval Gadani	Shibakumar Tyagi	8,000	0.50	2	2	0.09%
Keyur Parmar	Shibakumar Tyagi	16,000	0.10	3	4	0.19%
Keyur Parmar	Dinesh Thakur	52,000	-0.10	7	12	0.61%
Keyur Parmar	Anurudhkumar Yadav	2,36,000	2.00	18	47	2.76%
Keyur Parmar	Sharda Sharma	20,000	0.00	1	3	0.23%
Keyur Parmar	Ritu Rahul Mehta	1,72,000	1.60	11	34	2.01%
Keyur Parmar	Dhaval Gadani	4,000	0.05	1	1	0.05%
Keyur Parmar	Anand H Soni	8,000	0.00	2	2	0.09%
Anand H Soni	Dinesh Thakur	4,000	0.75	1	1	0.05%
Anand H Soni	Anurudhkumar Yadav	28,000	0.70	4	7	0.33%
Anand H Soni	Ritu Mehta	2,04,000	0.90	13	42	2.39%
Anand H Soni	Keyur Parmar	16,000	0.05	2	4	0.19%
		21,64,000	**27.70**	**38**	**447**	**25.35%**

From the above table, it is seen that the alleged MAs contributed 25.35% of market volume during IP through synchronized trades.

99. Details of reversal trades of alleged MAs during the IP are given below:

Table 17: Reversal trades of alleged MAs

Buyer Name	Seller Name	Gross Buy	Gross Sell	Reversal Qty.	No. of days	% Mkt. vol.
Shibakumar Tyagi	Dinesh Thakur	24,000	36,000	48,000	4	0.56%
Shibakumar Tyagi	Anurudhkumar Yadav	4,000	4,000	8,000	1	0.09%
Shibakumar Tyagi	Keyur Parmar	16,000	16,000	24,000	3	0.28%
Dinesh Thakur	Anurudhkumar Yadav	1,72,000	1,48,000	2,96,000	12	3.47%
Dinesh Thakur	Ritu Rahul Mehta	28,000	32,000	56,000	3	0.66%
Dinesh Thakur	Keyur Parmar	28,000	28,000	56,000	3	0.66%
Anurudhkumar Yadav	Sharda Sharma	12,000	12,000	24,000	1	0.28%
Anurudhkumar Yadav	Ritu Mehta	28,000	28,000	56,000	3	0.66%
Anurudhkumar Yadav	Keyur Parmar	2,68,000	2,40,000	4,80,000	18	5.62%
Anurudhkumar Yadav	Anand Soni	28,000	28,000	56,000	4	0.66%
Sharda Sharma	Ritu Mehta	24,000	24,000	48,000	1	0.56%
Sharda Sharma	Keyur Parmar	20,000	20,000	40,000	1	0.47%
Ritu Mehta	Keyur Parmar	1,60,000	1,76,000	3,12,000	11	3.66%
Ritu Mehta	Anand Soni	2,16,000	2,12,000	4,16,000	13	4.87%
Keyur Parmar	Anand Soni	8,000	16,000	16,000	2	0.19%
Total		**10,36,000**	**10,20,000**	**19,36,000**	**38**	**22.68%**

From the above table, it is seen that alleged MAs executed reversal trades on 38 out of 45 trading days and contributed 22.68% to the market volume.

100. The contribution to positive and net LTP by trading through reversal trades by alleged MAs through the front entities/MAs is given in the following table:

Table 18: Contribution to LTP through reversal trades of alleged MAs

Name of Entity	Market Positive LTP through reversal trades among suspected entities (Rs.)	% of market positive LTP	Net Positive LTP through reversal trades among suspected entities (Rs.)	% Net Positive LTP
Anand Soni	2.7	1.77%	1.75	2.03%
Anurudhkumar Yadav	8.35	5.46%	6.95	8.06%
Dinesh Thakur	6.75	4.42%	5.25	6.09%
Keyur Parmar	1.45	0.95%	0.9	1.04%
Ritu Mehta	4.6	3.01%	2.7	3.13%
Sharda Sharma	0.3	0.20%	0.05	0.06%
Shibakumar Tyagi	9.2	6.02%	6.1	7.08%
Total	**35.15**	**23.00%**	**25.2**	**29.23%**

From the above tables it is seen that the alleged MAs contributed Rs. 35.15 (i.e. 23%) to the market positive LTP of Rs.152.8 and Rs.25.2 (i.e. 29.23%) to the net positive LTP of Rs.86.2.

101. Further, Pradeep Narendra Bhatt alone contributed Rs.10.25 to the total market positive LTP (i.e. 6.71% of market positive LTP of Rs.152.8) through 22 positive LTP trades. In 6 out the 22 positive LTP trades, Pradeep Narendra Bhatt repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell order. The LTP contributed through such 6 trades was Rs.7.85 (i.e. 5.14% of total market positive LTP of Rs.152.8). These 6 trades were also placed as first trades for the day. Pradeep Narendra Bhatt contributed Rs.7.8 to net LTP (i.e. 9.05% to net LTP of Rs.86.2) through 76 trades as buyer. Pradeep Narendra Bhatt also contributed Rs.8.15 i.e. 9.49% to market NHP through 11 positive LTP trades. Additionally, Pradeep Narendra Bhatt initiated the buy order book consistently for 16 days during December 06, 2019 to January 10, 2020. Also, he initiated sell order book consistently for 8 days during December 10, 2019 to January 06, 2020.

102. I find that it cannot be a mere coincidence that the MAs along with Pradeep Narendra Bhatt could contribute significantly to the market LTP and NHP, especially with the alleged MAs trading among themselves through synchronized and reversal trades.

This is the outcome of meeting of minds elsewhere and it was a deliberate attempt to deal in such a fashion. In this regard, I would like to rely on the judgment of Hon'ble Supreme Court in *SEBI vs. Kishore R Ajmera* (AIR 2016 SC 1079), wherein it was held that "*in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. 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. The illustrations are not exhaustive.*" It was further held that "*It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion."*

103. Further, with regard to the price manipulation by way of LTP contribution, it is important to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in *Saumil Bhavnagari vs. SEBI*. The Order, inter alia, states as follows:

"*... but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticees trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his trades, the*

Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafide intention of the appellant."

104. In view of the above, I conclude that the trades by the MAs along with the trades and orders by Pradeep Narendra Bhatt during the IP were manipulative in nature and thereby abused the stock market platform by creating false and misleading appearance of trading.

Overall Findings with respect to the Connections and transactions between Noticees 1 to 18

105. Considering that Noticees 5, 6, 7, 8, 11 and 13 have neither responded to the SCN on merits nor appeared for personal hearing, it can be presumed that they have admitted the charges levelled against them in line with the observation of Hon'ble SAT in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) which, inter alia, states that, "*...the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them*".

106. Further, with respect to the cross-examination requests made by Noticees 1 to 4 (details at Table 4 of the Order), SEBI had directed the witnesses to be present on June 19, 2024, July 02, 2024, July 24, 2024 and August 02, 2024 (only Noticee 15). However, the request for cross-examination had to be closed as Noticees 9, 10 and 15 could not be produced as witnesses. Hence, no reliance has been placed on the statements made by Noticees 9, 10 and 15 with respect to their statements regarding Noticees 1 to 4. With respect to requests for cross-examination by Noticee 17 for all entities mentioned in the SCN, a hearing was scheduled with respect to the request for cross-examination. However, as he did not attend the hearing with respect to his request for cross-examination, the request was not acceded to. Further, the requests for cross-examination by Noticees 16 and 18 were denied as they were made as late as September 2024 despite the service of SCN by July 2024. In any case, no reliance

has been placed on the statements of the entities whose cross-examination was requested by Noticees 9, 16, 17 and 18 with respect to them. Hence, I find that principles of natural justice have been duly complied in this case.

107. Now, based on the findings arrived at with respect to the allegations against each Noticee and their connection with other Noticees, I summarise the overall findings to put the entire connections and transactions that have emerged from the above. Transfer of funds is seen from Noticees 3 and 4 (CSCL and its sister concern PAPL) to Noticees 5, 11, 13 and 14 (vendors/customers of Noticees 3 and 4). All these fund transfers are supported by e-way bills. Subsequently, Noticees 5, 13 and 14 are observed to have made transfer of funds (directly or through their related entities) to net sellers Noticees 8, 9 and 10 during the initial acquisition of shares (in April 2018 around the time of listing of CSCL scrip on NSE SME platform). Further, after sale of CSCL shares, there has been a transfer of funds by Noticees 9 and 10 to Noticees 5 and 6 and there has been huge amounts of cash withdrawals by Noticees 5, 6 and 8 (through his proprietary account, Rajesh Enterprises). There is no e-way bill in support of transfer of funds from Noticee 13 to Noticee 14. It is established that the accounts of the 8 MAs were operated by Noticee 16 and Noticees 17 and 18 aided Noticee 16 in opening of trading accounts of the MAs and their funding. Noticees 1, 2, 12 and 14 are relatives with Noticee 1 being brother, brother-in law and son-in-law of Noticees 2, 12 and 14, respectively. Further, connection of Noticees 8, 9 and 10 with Noticees 2, 5, 6, 7, 11, 12 and 14 has been noted in terms of common mobile number or email id in bank/trading/demat account opening forms of Noticees 8, 9 and 10. Also, while individually the transfer of funds during April 2018 emanating from Noticees 3 and 4 finding their way to Noticees 8, 9 and 10 may appear unrelated, taken together, I find that it cannot be a coincidence that funds transferred from Noticees 3 and 4 to Noticee 5, 13 and 14 were ultimately provided as loan to Noticees 8, 9 and 10 (by Noticee 5, 13, 14, who are vendors/customers of Noticees 3 and 4, and their related entities) for purchasing shares of CSCL right after its listing on the SME segment of NSE in April 2018. Further, the income details as available in the account opening forms and trading experience of Noticees 8, 9 and 10 along with their explanations for buying the shares of CSCL only lead to the conclusion that they purchased and sold shares as part of the scheme devised to profit from the

manipulation of share price of CSCL. Hence, I conclude that Noticees 1 and 2 funded the purchase of CSCL shares by Noticees 8, 9 and 10 by routing funds from their companies (Noticees 3 and 4) through Noticees 5, 13 and 14 and their related entities. However, Noticees 1 to 4 devised this scheme with their vendors/customers with whom they have continuous transactions and fund transfers backed by e-way bills for first leg of transfer of funds so as to evade legal action. Subsequently, Noticee 15 and Noticee 16 (through his MAs) manipulated the price and volume of CSCL share during the IP and then Noticees 8, 9, 10, 11 and 12 sold CSCL shares at a profit. The CSCL shares were sold by Noticee 9 during January 13, 2020 to January 20, 2020, by Noticee 10 during January 20, 2020 to January 27, 2020 and by Noticee 8 during January 28, 2020 to February 05, 2020. Of Noticees 8, 9 and 10, only Noticee 8 sold 13,332 shares of CSCL during the post IP period, which is nominal compared with trading during the IP. It is of importance that due to the trading by Noticee 15 and MAs of Noticee 16 during the IP, the price of CSCL had increased from Rs.12.9 on December 05, 2019 to close price of Rs. 42 on January 13, 2020 to Rs. 53.35 on January 20, 2020 to Rs. 71.15 on January 28, 2020 and Rs. 98.6 on February 05, 2020. Noticee 15 acted as a link between Noticees 1 to 4 and Noticee 16. Further, after sale of CSCL shares, the transfer of funds by Noticees 9 and 10 to Noticees 5 and 6 and huge amounts of cash withdrawals by Noticees 5, 6 and 8 were used deliberately as a mechanism to prevent trail of funds flowing back to Noticees 1 to 4. Similarly, cash deposits in accounts of MAs by Noticee 16 with the help of Noticees 17 and 18 was also done to evade regulatory oversight.

108. Further, Hon'ble Supreme Court in *SEBI vs. Kishore R. Ajmera* observed as follows:

> *"...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*."

109. In view of the above findings and the said Order of the Apex court, I find that Noticees

1 and 2 devised an elaborate scheme backed by documents for first level of transfer of funds from Noticees 3 and 4 to Noticees 5, 13 and 14 and resorted to huge amounts of cash withdrawals by Noticees 5, 6 and 8 to evade identification of funds going back to Noticees 1 to 4 and how such wrongful gains were divided between the Noticees who were part of the fraudulent scheme. Hence, I do not find merit in any Noticee's contention that no benefit has accrued to them because of the share price manipulation. Further, based on the trading pattern of Noticees 8, 9 and 10 with alternate series of sell and buy trades and funding from broker as can be seen from their transaction ledger with broker, I find that the Noticees 1 to 4's contention with respect to lack of amount synchronicity in funds transferred from Noticees 3 and 4 to Noticee 5, 13 and 14 and subsequent transfer of these funds by Noticees 5, 13 and 14 and their related entities to Noticees 8, 9 and 10 cannot be accepted. Additionally, Noticees 11 traded in his own account to take advantage based on the information available to him with respect to the said scheme which is evidenced by his sharing a common mobile number with Noticee 8. Similarly, Noticee 12 traded in the shares in his own account to take advantage based on the information available to him with respect to the said scheme which is evidenced by his email address in the trading account of Noticee 9 and strengthened by him being a promoter of CSCL and his relation with Noticee 1 and 14.

Other Submissions by Noticees

110. Noticees 1 to 4 have made the following additional submissions:

110.1. SEBI's investigation revolves around 5 net sellers – Noticee 8, 9, 10, 11 and 12 even though there are additional 256 sellers and that the allegation of providing exit to net sellers is false as the shares were not provided by way of allotment in IPO or preferential issue by the company.

110.2. After sale of shares, there are subsequent transactions also for purchase of additional shares by net sellers.

110.3. Noticee 15 purchased shares of Rs. 1.28 crore and sold shares worth Rs. 1.24 crore. Market cannot be manipulated using only Rs. 20 lakh to buy shares of Rs. 1.28 crore.

110.4. Net sellers Hari om Singh, Manish Kumar, Rajesh Pal and Vijay Prakash Gupta traded through trading members Bhaijee Portfolio Limited managed

by Naval Kishore Gupta who was amongst top 10 shareholders of CSCL. Naval Kishore Gupta sold 3.32 lakh shares for Rs. 1.43 crore and earned profit of Rs. 1.53 crore but SEBI has not investigated his role who is the highest beneficiary in the alleged manipulation. The broker has also denied to produce evidence/call recordings for orders placed by net sellers stating the that "system is corrupted".

111. Based on the material available on record, I find that SEBI undertook an independent fact-finding exercise with respect to the manipulation in the CSCL scrip during the IP to identify the suspected entities (including Naval Kishore Gupta) and then to identify the persons/entities to whom Show Cause Notice should be issued in the matter. Also, as the manipulation was done during the IP, subsequent purchases by net sellers during the pre-IP or post-IP period were either zero or negligent in comparison to the trading during the IP. With respect to the Noticees 1 to 4's contention that how could Noticee manipulate share price with Rs. 20 lakh, I note from the trading pattern of Noticee 15 that Noticee 15 has alternately done series of buy and sell transactions which did not require him to have funds worth a crore at any point of time. Additionally, Noticee 15's contribution to LTP and market NHP along with initiation of order book during December 10, 2019 to January 06, 2020 as described at para 101-104 of this Order only confirm the conclusion that Noticee 15 manipulated the share price of CSCL. Further, considering the facts of the case, that Noticees 8, 9, 10, 11 and 12 did not get shares during IPO is irrelevant to the current proceedings. The role of Noticees 8, 9 and 10 was limited to purchasing the shares around the listing of CSCL scrip and selling the shares during IP when the scrip price had been increased through manipulation. Additionally, Noticee 11 traded in his own account to take advantage based on the information available to him with respect to the said scheme which is evidenced by his sharing a common mobile number with Noticee 8. Similarly, Noticee 12 traded in the shares in his own account to take advantage based on the information available to him with respect to the said scheme which is evidenced by his email address in the trading account of Noticee 9 and strengthened by him being a promoter of CSCL and his relation with Noticee 1 and 14.

112. Noticees 1 to 4 have also relied upon *SEBI and Ors. vs. Kanaiyalal Baldevbhai Patel*

and Ors. (2017) 15 SCC 1 to contend that inducement is required to constitute fraud under the PFUTP Regulations which must be made while dealing in securities and for the purpose to induce others to deal in securities. In this regard, I find that devising and executing an elaborate scheme as detailed in foregoing paragraphs to manipulate share prices constitutes fraud as it induced other investors to trade in shares of CSCL, which is evident from increase in volume of CSCL shares traded during the IP.

113. Noticee 12 was alleged to have violated the provisions of Section 11C(3) and (5) of SEBI Act as during the investigation, despite issuance of summons and repeated reminders, Vivek Kumar Varshney did not provide any response to SEBI. In this regard, Noticee 12 has submitted that the mail dated April 13, 2023 of SEBI was received in spam folder. Further, he was not in town when the summons dated April 13, 2022 were received. He has stated that if he had no intention to reply he would not have replied to the SCN sent vide mail dated March 04, 2024 as well. In this regard, while I note that Noticee 12 filed his reply in response to SCN issued on February 28, 2024, one cannot condone the Noticee's behaviour of not responding to the summons issued by SEBI for almost 2 years for the reasons mentioned by the Noticee. The Noticee could have been out of town when the summons were received but there were still about 2 years till SCN was issued to him after issuance of summons to him in the matter. Hence, I find that Noticee 12 has violated Section11C(3) and (5) of the SEBI Act.

114. Noticees 16 and 17 have stated that by not making the alleged mule accounts party to the case, the proceedings have caused prejudice to them and disgorgement should be ordered against the 8 alleged mule accounts. Additionally, Noticee 16 has stated that SEBI's investigation team has not called and checked the call history of the 8 mule accounts and that the entire grouping based on the alleged connections is incorrect as far as Noticee 16 is concerned. No broker has confirmed that the said accounts were operated by Noticee 16. With respect to these contentions, I have already discussed and established that the 8 alleged mule accounts were in fact the mule accounts of Noticee 16. Further, I note that during the investigation, the role of each of these mule entities was investigated and based on the findings, the trading

accounts associated with PAN of the 8 MAs have been deactivated.

115. Noticees 16 and 17 have contended that SEBI has introduced the definition of mule accounts in its PFUTP Regulations from July 01, 2024 and hence the mule account definition does not apply in the present case as held by Hon'ble Supreme Court of India in *SEBI versus Ajay Agarwal* on February 25, 2010. Also, Noticee 16 has stated that in another case, Dinesh Thakur has stated that he did not receive any confirmation from Vijay Pujara and that his statements were guided by Somani Group (Govindbhai) to whom he has given his trading and demat account. Further, he has stated that statement of Dinesh Thakur has not been provided to him. With respect to these submissions, I note that the amendment of definition of 'dealing in securities' on July 01, 2024 to state "either by themselves or through mule accounts" is only explanatory. Further, the definition of fraud that, inter alia, states *"….any act expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities*" is inclusive of fraudulent activities through mule accounts. No reliance has been placed on the statement of Dinesh Thakur as far as allegations against Noticees 16 and 17 are concerned and hence, I find that neither any prejudice is caused to Noticees 16 and 17 by not providing statement of Dinesh Thakur to them nor any advantage to Noticees 16 and 17 can be provided based on the statements of Dinesh Thakur involving Somani Group. Further, Noticee 17 has submitted a CA certificate to indicate that he has not earned any illegal money.

116. In the hearing held on June 21, 2024, Noticee 15 submitted that there has been a delay of 4 years in issuance of SCN from the investigation period and as the power to adjudicate has not been exercised in a reasonable period, no penalty can be imposed on the Noticee. Further, the Noticee has relied on *Ashok Shivlal Rupani vs. SEBI* (Appeal No. 417 of 2018 decided on August 22, 2019 and Hon'ble SAT's judgement in the matter of *HB Stockholdings Limited versus SEBI* (Appeal No. 114 of 2012) to contend that prejudice to Noticee is caused by delay and Noticee cannot be penalized at a belated stage. In this regard, I note that the transactions pertain to December 2019-February 2020 but considering the number of entities involved, the inconsistent statements made by several Noticees, summons issued to entities during 2022-2023 along with non-responding to summons issued by SEBI as well as

the elaborate scheme adopted to manipulate the share prices, I do not find that there has been a delay in concluding the investigation and issuance of SCN on February 28, 2024.

117. Additionally, Noticees 16 and 17 have relied on the following case laws:

117.1. *M/s. Jagruti Securities Ltd. versus Securities and Exchange Board of India* (Appeal No. 102 of 2006 dated October 27, 2008) to contend that in an artificial trade there has to be collusion between the buyer and the seller and in the absence of any collusion, the trade cannot be termed as artificial.

117.2. *M/s Nishith M. Shah HUF versus SEBI* to contend that there must be evidence to show collusion between the buyer and the seller and the principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and buyer.

117.3. *Varanasaya Sanskrit Vishwa Vidyalaya and Anr. Versus Dr. Rajkishore Tripathi and Anr.* to contend that proof is required to establish collusion and fraud.

117.4. *Union of India versus Chaturbhai M. Patel* (AIR 1976 SC 712) to contend that fraud, even in civil proceedings, must be established beyond reasonable doubt.

117.5. *Price Waterhouse & Co versus SEBI* (SAT Order dated September 09, 2019, Appeal No. 06 of 2018) to contend that fraud has to be proved on the basis of evidence to bring the culpable within the four corners of Section 12A and Regulation 3 and 4 if PFUTP Regulations.

117.6. *Networth Stock Broking Ltd versus SEBI* (SAT order dated June 19, 2012, Appeal No. 5 of 2012) to contend that violation of PFUTP involves commission of fraud which is a serious market offence and a high degree of probability is required to establish such a charge.

117.7. *Sterlite Industries versus SEBI* (Appeal No. 20/2001 dated October 2, 2001) to contend that mere surmise, conjuncture or suspicion cannot sustain the finding of fault.

118. I note that the violations against Noticee 16 are based on evidence such as common MAC address and use of mobile numbers belonging to Noticees 17 and 18 when

making cash deposits in the mule accounts. Further, the connections/collusion among different Noticees, especially the trading among mule accounts to manipulate share price, through synchronized and reversal trades has already been discussed in foregoing paragraphs. Further, in *Parsoli Corporation Limited versus SEBI* (order dated August 12, 2011, Appeal No. 146 of 2010), Hon'ble SAT has, *inter alia*, stated as follows:

> *"We agree that fraud is a serious charge but we do not agree with the learned senior counsel that in civil proceedings like the present, it cannot be established on preponderance of probabilities. In civil proceedings, unlike in criminal proceedings, even a serious charge like fraud has to be established on preponderance of probabilities and since this charge is serious higher has to be the degree of probability to establish the same."*

Similarly, in this case, having regard to documentary evidences against each of the Noticees and how the entire scheme has been devised to fund transactions of net sellers and LTP contributors (including mule accounts) to manipulate the share price of the CSCL scrip, the charge of fraud in the present case has been established with the required degree of probability.

119. Having discussed the allegations, submissions and findings with respect to all transactions and connections pertaining to the case, I conclude that the alleged entities are connected and have together devised a fraudulent scheme with the help of 8 MAs to manipulate volume and price of CSCL shares.

Issue 2 - Have the Noticees violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act and regulation 3(a), 3(b), 3(c), 3(d) and regulation 4 of the PFUTP Regulations along with other regulatory violations as alleged in the SCN against each of the Noticees?

120. Based on the findings arrived under discussion of Issue 1, I summarise below the role of all entities in the fraudulent scheme:

120.1. Pradeep Narendra Bhatt and Vijay Pujara (through trades of his mule accounts) manipulated the price and volume of the scrip of CSCL in order to

provide exit to the net sellers – Rajesh Pal, Hari Om Singh, Manish Kumar and Vijay Prakash Gupta – who took advantage of price rise to offload their shares and transferred part of the proceeds to the connected entities of Praveen Rastogi. Vijay Pujara was aided by Ajay Pujara and Natvarbhai Vegda in opening of the trading accounts of MAs.

120.2. The funds were provided from CSCL to Pradeep Narendra Bhatt through Heena Enterprises (Proprietor Heena Khatoon) and Shree Balaji Enterprises (Proprietor Anju Devi).

120.3. The funds to net sellers from PAPL and CSCL were routed through Heena Khatoon (Proprietor of Heena Enterprises), Anju Devi (Proprietor of Shree Balaji Enterprises), Mohd. Idrees (Proprietor of Tirupati Enterprises), Momin Jahan (Proprietor of Jahan Enterprises) and Mujaffar Khan (Proprietor of Shiv Enterprises).

120.4. By virtue of being the directors of CSCL and authorised signatories to operate the bank account of CSCL from which funds were transferred to Pradeep Narendra Bhatt and in terms of Section 27(1) of SEBI Act, 1992, Praveen Rastogi and Sachin Rastogi are liable for the violation committed by CSCL.

120.5. Vivek Kumar Varshney who is part of the promoter group of CSCL took advantage of the aforementioned fraudulent scheme and sold 44,000 shares of CSCL during IP. Also, Vivek Kumar Varshney did not intimate the Stock Exchange about the sale of 44,000 shares of CSCL and hampered investigation by not responding to summons issued by SEBI and for personal appearance before the Investigating Authority.

120.6. As a result of this scheme, unlawful profit of Rs. 2,24,17,400 has been made by the Noticees.

121. In view of the above findings, I conclude that Noticees 1 and 2 have violated Section 12A(a), (b) and (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4 (1) of the PFUTP Regulations read with Section 27(1) of the SEBI Act by devising a scheme to manipulate the share price of CSCL as against letting the market forces of demand and supply decide the scrip price. Additionally, Noticee 4 has violated Section 67(2) of the Companies Act, 2013 for providing financial assistance for purchasing its

shares. Noticees 3 to 17 have also violated Section 12A(a), (b) and (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4 (1) of the PFUTP Regulations by playing their respective part in this manipulative scheme. Further, Noticees 1 to 7 and Noticees 13 and 14 have also violated regulation 4 (2) (d) of the PFUTP Regulations by funding or acting as conduits for funding of entities who manipulated the share price during the IP. Additionally, Noticees 15 and 16 (through the MAs) have violated regulation 4(2)(e) of the PFUTP Regulations by carrying out such acts that influence the reference price of CSCL scrip. Noticee 16, through trading in mule accounts, has also violated regulation 4(2)(a) and 4(2)(g) by entering into transactions without the intention of performing them but only to create misleading appearance of trading in the CSCL scrip. Noticee 12 has violated regulation 7(2)(a) of the PIT Regulations by not disclosing his trades in CSCL shares. Noticees 5, 8 and 12 have also violated Section 11C(5) by not appearing before the Investigating Authority. Further, as Noticees 6, 7, 8 have not responded to the SCN on merits, I conclude that they have violated Section 11C(3) by not furnishing the information requested during the investigation. Additionally, Noticee 12 has also violated Section 11C(3) by not furnishing the information requested during the investigation.

Issue 3 - Do the violations, if any, attract action, including disgorgement of alleged unlawful gains, under the Sections 11(4), 11(4A), 11B(1) and 11B(2) read with Section 11(1) of the SEBI Act?

122. Considering the role of each of the Noticees discussed at para 105 to 109 of this Order, I find that Noticees 1 to 17 are liable to be disgorged, jointly and severally, the wrongful gains of Rs. 2,24,17,400 made by them. The profit made by Noticees who contributed to LTP is summarised in the following table:

Table 19: Calculation of wrongful gains

Entity Name	Buy Qty during IP (A)	Buy value during IP (B) (in Rs.)	Sell Qty during IP (C)	Sell value during IP (D) (in Rs.)	Shares already held before IP (E)=C-A	Acquisition price of shares already held (F) (in Rs.)	Total Buy Value (G)=B+F (in Rs.)	Net Profit D-G (in Rs.)

Hari Om Singh	48,000	22,08,800	2,28,000	1,08,34,600	1,80,000	48,21,000	70,29,800	38,04,800
Manish Kumar	36,000	20,81,000	1,80,000	1,00,50,600	1,44,000	39,51,600	60,32,600	40,18,000
Rajesh Pal	1,88,000	1,39,89,800	3,72,000	2,72,28,200	1,84,000	48,16,000	1,88,05,800	84,22,400
Vijay Prakash Gupta	4,000	1,64,000	1,96,000	71,08,800	1,92,000	49,65,200	51,29,200	19,79,600
Vivek Kumar Varshney*	0	0	44,000	37,45,200	44000	0*	0	37,45,200
Pradeep Narendra Bhatt	3,32,000	1,23,64,000	3,32,000	1,27,87,200	0	0	1,23,64,000	4,23,200
Vijay Pujara	22,56,000	11,50,06,800	22,56,000	11,50,31,000	0	0	11,50,06,800	24,200
Total	**28,64,000**	**14,58,14,400**	**36,08,000**	**18,67,85,600**	**7,44,000**	**1,85,53,800**	**16,43,68,200**	**2,24,17,400**

In order to determine the profit made by Vivek Kumar Varshney in selling 44,000 shares of CSCL during IP, email dated March 10, 2023 and summons dated April 13, 2023 were sent seeking the details of cost of initial acquisition of 60,000 shares of CSCL. Summons were also sent through digitally signed email on April 13, 2023 and reminder email to summons dated April 21, 2023. However, the entity has not provided details of cost of initial acquisition till date. Therefore, the initial cost of acquisition of shares of CSCL by Vivek Kumar Varshney is taken as NIL and total trade value of sale of 44,000 shares of CSCL is taken as net profit. No reply in this regard has been provided in response to the SCN as well.

Issue 4 - Do the violations, if any, attract monetary penalty under Section 15HA, 15 A(a) and 15 A(b) of the SEBI Act?

123. The SCN calls upon Noticees 1 to 18 to show cause, inter alia, as to why penalty under sections, as summarised in the following table, should not be imposed upon them for the violations alleged against them:

Table 20

Noticees	**Applicable section for penalty**
1 to 18	Section 11(4A) and 11B(2) read with Section 11(1) and Section 15HA of the SEBI Act
5, 6, 7, 8 and 12	Section 11(4A) and 11B(2) read with Section 11(1) and Section 15A(a) of the SEBI Act, 1992
12	Section 11(4A) and 11B(2) read with Section 11(1) and Section 15A(b) of the SEBI Act, 1992

124. With regard to the imposition of penalty, Noticees 16 and 17 have relied on the following case laws:

124.1. *Hindustan Steel vs. State of Orissa* (AIR 1970 SC 253) to contend that penalty will not be ordinarily imposed unless the party obliged either acted deliberately in defiance of law or was guilty of conduct contumacious or dishonest or acted in conscious disregard of its obligation.

124.2. *Ex-Naik Sardar Singh vs. Union of India* (1991) 3 SCC 212) and *Ranjit Thakur vs. Union of India* (AIR 1987 SC 2386 to contend that penalty must be proportionate to gravity of conduct.

124.3. *Adjudicating Officer vs. Bhavesh Pabari* to contend that clauses (a) to (c) in Section 15J of the SEBI Act are not the only grounds/factors which can be taken into consideration while determining the quantum of penalty.

125. The violations established against each of the Noticees are serious in nature and make each of the Noticees liable for monetary penalty under the respective sections as reproduced below:

"Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—

(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh

rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees."

***"Penalty for fraudulent and unfair trade practices**.*

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

126. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15J of the SEBI Act, which reads as under:

SEBI Act, 1992:

"Factors to be taken into account while adjudging quantum of penalty

***15J** While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default."

127. Further, I am in agreement with Noticees 16 and 17 that clauses (a) to (c) in Section 15J of the SEBI Act are not the only grounds/factors which can be taken into consideration while determining the quantum of penalty. In Adjudicating Officer vs. Bhavesh Pabari, it is further stated that "*the provisions of clauses (a), (b) and (c) of*

Section 15-J are illustrative in nature and have to be taken into account whenever such circumstances exist. But this is not to say that there can be no other circumstance(s) beyond those enumerated in clauses (a), (b) and (c) of Section 15-J that the Adjudicating Officer is precluded in law from considering while deciding on the quantum of penalty to be imposed."

128. With regard to the calculation of unlawful gain by Noticees 8, 9, 10, 11, 12, 15 and 16 as part of the manipulative scheme by Noticees 1 to 17, Noticees have not furnished any reply. Hence, I am inclined to presume that the Noticees have nothing to submit with respect to the calculation of unlawful gains. Thus, I consider the calculations of unlawful gains correct and proceed accordingly. Further, from the material available on record, it may not be possible to ascertain the exact monetary loss to the investors on account of PFUTP violations done by the Noticees. Based on the material available on record, I conclude that Noticees 1 and 2 orchestrated this scheme as they were the directors of CSCL and PAPL and were also the authorised signatories for fund transfer from accounts of these companies and hence, are liable to be imposed with a higher penalty than other Noticees. Further, Noticees 15 and 16 have been found to be instrumental in manipulating the CSCL scrip price during the IP. Noticees 5, 6, 7, 8, 12 have been additionally found to have violated section 11C of SEBI Act by not furnishing information during investigation and/or not accepting summons for personal appearance. Noticee 12 has also violated regulation 7(2)(a) of the PIT Regulations. I also note that the following adjudication orders have been passed against Noticees 16, 17 and 18 by SEBI:

Table 21: Orders against certain Noticees

Sl.No.	Noticee	Case Name	Order	Violation of
1	16, 17, 18	In the matter of Manaksia Coated Metals and Industries Limited	Adjudication Order dated October 21, 2024	Section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) of the PFUTP Regulations.
2	16	In the matter of	Adjudication	Section 12A(a), (b), (c)

		Capri Global Capital Ltd.	order dated September 18, 2023	of the SEBI Act and Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (d), (e) and (g) of the PFUTP Regulations

F. DIRECTIONS AND ORDER

129. Having considered all the facts and circumstances of the case, material available on record, submissions made by Noticees and factors mentioned in Section 15J of the SEBI Act and in exercise of powers conferred upon me under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15HA, 15A(a) and 15A(b) of the SEBI Act read with Section 19 of the SEBI Act and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, pass the following directions mentioned against their names:

129.1. The following Noticees are prohibited from accessing the securities market and from buying, selling or otherwise dealing in the securities market, directly or indirectly, in any manner whatsoever, for the following time periods:

Table 22

Noticee	Name of Noticee	Time period
1	Praveen Rastogi	2 years
2	Sachin Rastogi	2 years
3	Praveen Aroma Pvt. Ltd.	1 year
5	Mohd. Idrees, Proprietor of Tirupati Enterprises	1 year
6	Momin Jahan, Proprietor of Jahan Enterprises	1 year
7	Mujaffar Khan, Proprietor of Shiv Enterprises	1 year
8	Rajesh Pal	1 year
9	Hari Om Singh	1 year
10	Manish Kumar	1 year
11	Vijay Prakash Gupta	1 year
12	Vivek Kumar Varshney	1 year
13	Heena Khatoon, proprietor of Heena	1 year

Noticee	Name of Noticee	Time period
	Enterprises	
14	Anju Devi, proprietor of Shree Balaji Enterprises	1 year
15	Pradeep Narendra Bhatt	18 months
16	Vijay Pujara	2 years
17	Ajaykumar Pujara	1 year
18	Natvarbhai Vegda	3 months

129.2. The obligation of the Noticees, restrained/ prohibited by this Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of coming into force of this Order, are allowed to be discharged irrespective of the restraint/prohibition imposed by this Order. Further, all open positions, if any, of the Noticees restrained/prohibited in the present Order, in the F&O segment of the recognised stock exchange(s), are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.

129.3. Noticees 1 and 2, are hereby restrained from holding any position of Director or Key Managerial Personnel in any listed company or any intermediary registered with SEBI, or associating themselves with any listed public company or a public company which intends to raise money from the public or any intermediary registered with SEBI for a period of 2 years.

129.4. Noticees 1 to 17 shall, jointly and severally, be liable to disgorge the total unlawful gains of Rs. 2,24,17,400 along with simple interest @12% per annum from February 05, 2020 (i.e. the last date of the investigation period) till the date of payment. The Noticees shall pay the aforesaid amount of penalty to the Investor Protection and Education Fund (IPEF) as referred to in Section 11(5) of the SEBI Act within a period of 45 (forty-five) days, from the date of receipt of this order. The particulars of SEBI account for making e-payment are mentioned in the following table:

Table 23

Name of the Bank	Branch Name	RTGS Code	Beneficiary Name	Beneficiary Account No.
Bank of India	Bandra Kurla Branch	BKID0000122	Securities and Exchange of India	012210210000008

129.5. I impose the following monetary penalty on Noticees:

Table 24

Noticee	Name of Noticee	Provisions Violated	Penalty Provisions	Amount of penalty (in Rs.)
1	Praveen Rastogi	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations read with Section 27(1) of the SEBI Act	Section 15HA of the SEBI Act	25 lakh
2	Sachin Rastogi	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations read with Section 27(1) of the SEBI Act	Section 15HA of the SEBI Act	25 lakh
3	Praveen Aroma Pvt. Ltd.	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations	Section 15HA of the SEBI Act	10 lakh
4	Continental Seeds and Chemicals Ltd	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations read with Section 67(2) of	Section 15HA of the SEBI Act	10 lakh

Noticee	Name of Noticee	Provisions Violated	Penalty Provisions	Amount of penalty (in Rs.)
		the Companies Act, 2013		
5	Mohd. Idrees, Proprietor of Tirupati Enterprises	Section 12A(a), (b), (c) and 11C(5) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations	Section 15HA and 15A(a) of the SEBI Act	12 lakh
6	Momin Jahan, Proprietor of Jahan Enterprises	Section 12A(a), (b), (c) and 11C(3) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations	Section 15HA and 15A(a) of the SEBI Act	12 lakh
7	Mujaffar Khan, Proprietor of Shiv Enterprises	Section 12A(a), (b), (c) and 11C(3) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) of the PFUTP Regulations	Section 15HA and 15A(a) of the SEBI Act	12 lakh
8	Rajesh Pal	Section 12A(a), (b), (c) and 11C(3) and (5) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations	Section 15HA and 15A(a) of the SEBI Act	12 lakh
9	Hari Om Singh	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations	Section 15HA of the SEBI Act	10 lakh
10	Manish Kumar	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1)	Section 15HA of the SEBI Act	10 lakh

Noticee	Name of Noticee	Provisions Violated	Penalty Provisions	Amount of penalty (in Rs.)
		of the PFUTP Regulations		
11	Vijay Prakash Gupta	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations	Section 15HA of the SEBI Act	10 lakh
12	Vivek Kumar Varshney	Section 12A(a), (b), (c), 11C(3) and (5) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations and regulation 7(2)(a) of the PIT Regulations	Section 15HA, 15A(a), and 15A(b) of the SEBI Act	15 lakh
13	Heena Khatoon, proprietor of Heena Enterprises	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(d) of the PFUTP Regulations	Section 15HA of the SEBI Act	10 lakh
14	Anju Devi, proprietor of Shree Balaji Enterprises	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(d) of the PFUTP Regulations	Section 15HA of the SEBI Act	10 lakh
15	Pradeep Narendra Bhatt	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(e) of the PFUTP Regulations	Section 15HA of the SEBI Act	15 lakh
16	Vijay Pujara	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(a), (e) and	Section 15HA of the SEBI Act	15 lakh

Noticee	Name of Noticee	Provisions Violated	Penalty Provisions	Amount of penalty (in Rs.)
		(g) of the PFUTP Regulations		
17	Ajaykumar Pujara	Section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(e) of the PFUTP Regulations	Section 15HA of the SEBI Act	5 lakh

129.6. Noticees 1 to 17 are directed to pay their respective penalties within a period of 45 (forty-five) days, from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of ED/CGM (Quasi-Judicial Authorities) -> PAY NOW. In case of any difficulty in online payment of penalties, the said Noticees may contact the support at portalhelp@sebi.gov.in.

129.7. The details/ confirmation of e-payment should be sent to "The Division Chief, Investigations Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in in the format as given in table below:

Table 25

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Bank details in which payment is made	
Payment is made for: (like penalty/disgorgement along with order details)	

129.8. It is clarified that during the period of restraint, the existing holding of securities, including units of mutual funds, shall remain under freeze in

respect of the aforesaid debarred Noticees.

129.9. The Banks where Noticees 1 to 17 are holding bank accounts, individually or jointly, are directed that no debit shall be made, except for e-payment in favour of "Securities and Exchange Board of India" as mentioned above, till further instructions from SEBI. However, credits, if any, into the accounts of the Noticees may be allowed.

129.10. The Depositories are directed to ensure that no debits or credits are made in the demat accounts of the Noticees 1 to 17, held individually or jointly, without the permission of SEBI.

129.11. The Noticees 1 to 17 are also directed not to dispose of or alienate any of their assets/properties/securities, till such time the direction of this Order is complied with.

130. This Order, except direction at para 129.3 above, shall come into force with immediate effect. The direction at para 129.3 shall come into effect after expiry of 45 days from the date of this Order.

131. A copy of this Order shall be served on the Noticees, all the recognized Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for necessary action and compliance with the above directions.

-Sd-

Dr. Anitha Anoop

Chief General Manager

Securities and Exchange Board of India

Date: November 29, 2024

Place: Mumbai