

WTM/ AB /EFD-1/DRA-1/ 14 /2019-20

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

ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Lifeline Drugs and Pharma Limited (now known as Arihant Multi Commercial Limited)

Noticee no.	Name of the Noticee	PAN
1.	Mr. Anil Vishnu Bharti	AHWPB8347C
2.	Mr. Pratik Jain	AMCPJ6859L
3.	Mr. Rajesh Jayantilal Savadia	AAVPS3632H
4.	Ms. Akshata Majgoankar	ASMPM0261B
5.	Mr. Narendra Kripashankar Mishra	ANLPM9657K

The aforesaid entities are hereinafter referred to individually, by their respective names/ Noticee numbers and collectively as “the Noticees”.

Background:

1. The Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) carried out investigation in the scrip of Lifeline Drugs and Pharma Limited (now known as Arihant Multi Commercial Ltd.) (hereinafter referred to as “**Lifeline Drugs**”/ “**the company**”) for the period January 10, 2013 to May 30, 2015 (hereinafter referred to as “**investigation period**”) to ascertain whether there was any violation of the provisions of the SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”). Further, SEBI had also received reference from Principal Director of Income Tax (Investigation), Kolkata (hereinafter referred to as “**DIT**”) vide their letter dated April 27, 2015 alleging that certain entities had used the stock exchange mechanism to generate Long Term Capital Gain Tax (hereinafter referred to as “**LTCG**”) by trading in certain scrips and Lifeline Drugs is one of such scrips mentioned in the aforesaid letter.

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

2. A Show Cause Notice (hereinafter referred to as “SCN”) dated December 08, 2017 providing the findings of SEBI’s investigation along with details of alleged violations of PFUTP Regulations was issued to all the Noticees. The following documents were enclosed as annexures to the SCN.

Table A: Annexures to SCN	
Annexure	Particulars
1.	Details of price and volume in the scrip of Lifeline Drugs during Investigation Period at BSE
2.	Email dated June 06, 2017 from Purva Sharegistry to SEBI providing statement of off-market transfers of 25 shares each to the Noticees by Welldone Commodities Pvt. Ltd.
3.	Holding statements of demat account of all 5 Noticees as obtained from NSDL/ CDSL

3. The SCN alleged that the Noticee no. 1 to 5 namely, 1) Mr. Anil Vishnu Bharti, 2) Mr. Pratik Jain, 3) Mr. Rajesh Jayantilal Savadia, 4) Ms. Akshata Majgoankar and 5) Mr. Narendra Kripashankar Mishra created a misleading appearance of trading in the scrip of the company and contributed to manipulation in the scrip price by their trades, thereby violating Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2)(a) and (e) of PFUTP Regulations, 2003. The Noticees were called upon to show cause as to why suitable directions under sections 11(4) and 11B read with section 11(1) of SEBI Act, 1992 should not be issued against them. The Noticees were also informed that their reply to the SCN together with supporting documents that the Noticees choose to rely upon in support of their reply, should reach SEBI within 21 days from the date of receipt of the SCN.
4. The SCN was served on Noticee nos. 1 and 3 namely, Mr. Anil Vishnu Bharti and Mr. Rajesh Jayantilal Savadia through Hand Delivery. The SCN was served on Noticee no. 2 i.e. Mr. Pratik Jain through Speed Post. As the SCN could not be served on Noticee nos. 4 and 5 namely, Ms. Akshata Majgoankar and Mr. Narendra Kripashankar Mishra through Speed Post, accordingly, a copy of the SCN was affixed on the last known address of the said Noticees on December 30, 2017 and December 29, 2017 respectively.

5. Noticee no. 2 i.e. Mr. Pratik Jain submitted two replies dated January 08, 2018 and January 14, 2019. Noticee no. 3. Mr. Rajesh Jayantilal Savadia submitted two replies dated February 01, 2018 and January 08, 2019. Noticee no. 4, Ms. Akshata Majgoankar also submitted two replies dated January 18, 2018 and January 14, 2019. Noticee no. 1 i.e. Mr. Anil Vishnu Bharti and Noticee no. 5 i.e. Mr. Narendra Krispashankar Mishra submitted one reply each dated January 03, 2019 and February 22, 2019, respectively.
6. An opportunity of hearing was given to the Noticees on November 16, 2018 which was communicated vide letter dated October 04, 2018. Noticee nos. 1, 2, 3 and 4 namely, Mr. Anil Vishnu Bharti, Mr. Pratik Jain, Mr. Rajesh Jayantilal Savadia and Ms. Akshata Majgoankar requested for an adjournment which was granted and the next date of hearing was fixed on December 14, 2018 for all the Noticees.
7. The Noticees had sought copies of certain documents including copy of the entire trade log and order log vide various letters dated December 06, 2018, December, 07, 2018 and December 09, 2018 along with a request to reschedule the hearing fixed on December 14, 2018. Copies of the documents sought by the Noticees were provided vide letter dated December 24, 2019 and an opportunity of hearing was granted to the Noticees on January 14, 2019 and to Noticee no. 05 on February 22, 2019. The Noticee nos. 1 to 4 along with their respective authorized representatives appeared before me on January 14, 2019 and made their submissions. The Noticee no. 5, Mr. Narendra Kripashankar Mishra appeared before me for hearing on February 22, 2019, made his submissions and furnished his reply dated February 22, 2019 on the same date.

Consideration of Noticees' reply to SCN and Submissions made during personal hearing:

8. I shall first deal with the preliminary objections of the Noticees raised in the replies furnished by them. The Noticees have stated that a copy of the Investigation Report has not been provided to them, and hence, it is a gross violation of natural justice as it has restricted their defence to the investigation carried out by SEBI. The Noticees have urged that the SCN should be set aside on this ground alone. In this regard, I note that vide

various letters the Noticees had requested for copies of the following documents: (a) Investigation Report, (b) entire trade logs and order logs for the investigation report and (c) any other document relied upon while issuing the SCN for the alleged violation. In response to the aforesaid requests, SEBI vide letter dated December 24, 2018 provided each Noticee with a Compact Disc (hereinafter referred to as “CD”) containing a copy of the complete order log and trade log pertaining to the orders and trades in the scrip of Lifeline Drugs. The said letter further stated that all documents relied upon in the SCN have already been provided to the Noticees along with the SCN. In their replies, Noticees nos. 1 to 5 have stated that they have not been supplied with a copy of the Investigation Report which forms the most essential document for any proceeding. The Noticees have also relied on the observations of the Hon’ble Supreme Court in *SEBI v. Price Waterhouse* (Civil Appeal No. 6003-6004 of 2012 decided on January 10, 2017) wherein SEBI was directed to furnish all statements recorded during the course of Satyam’s investigation and further directed SEBI to give inspection of all the documents collected during the investigation of Satyam. The Noticees have also relied para 13 in the order of the Hon’ble Securities Appellate Tribunal (hereinafter referred to as “SAT”) in *Shri B. Ramalinga Raju v. SEBI* (Appeal no. 286 of 2014 decided on May 12, 2017) wherein the following has been observed:

“13. There can be no dispute that while determining the rights and obligations of the parties the quasi-judicial authority must adhere to the principles of natural justice which inter alia, includes the obligation to furnish requisite documents on the basis of which charges are framed and permit cross-examination of the persons whose statements are relied upon and further provide reasonable opportunity of personal hearing.”

9. I find that the SCN issued by SEBI to the Noticees contains the findings of investigation in respect of all the Noticees. I note that SEBI vide letter dated December 24, 2018 informed the Noticees that all documents relied upon in the SCN have already been provided to the Noticee along with the SCN. Further, as requested by the Noticees, soft copy of complete order log and trade log was provided to the Noticees in a CD along with the aforesaid letter. As regards, the Noticees’ contention that they have not been furnished with the entire Investigation Report, I note that in the present proceeding reliance is being

placed on only those documents which have been provided to the Noticees as annexures to the SCN and other documents which have been provided to them pursuant to their request. At this stage, it is pertinent to note the observations of the Hon'ble SAT in the case of *Angel Broking Private Limited v. SEBI* (Appeal No. 25 of 2013 decided on October 22, 2013) wherein it was argued by the appellant that the order passed by SEBI was in violation of principles of natural justice as the investigation report had not been furnished to the appellant. The Hon'ble SAT observed as under:

“13. Argument that principles of natural justice have been violated in the present case has no merit because, documents relied upon by SEBI in the show cause notice have been, in fact, supplied to the appellant. Appellant has not established as to how non furnishing entire investigation report has caused prejudice to the appellant.”

I find that the Noticees were given the findings of the Investigation Report in the SCN along with the documents relied upon by SEBI and the Noticees have filed their replies in respect of the findings of investigation. In the present case except for bald allegations of non-furnishing of entire Investigation Report, the Noticees have failed to show any consequential prejudice by such non-furnishing of Investigation Report. Therefore, I am unable to accept the argument of the Noticee that there has been a gross violation of natural justice due to non-supply of the entire Investigation Report.

10. As regards Noticees' reliance on the order of the Hon'ble Supreme Court in *SEBI v. Price Waterhouse*, it is relevant to refer to the observations of the Hon'ble SAT in *Shri B. Ramalinga Raju v. SEBI* (Supra) wherein the Hon'ble SAT considered the order dated January 10, 2017 passed by Hon'ble Supreme Court in the matter of PWC, and observed that the directions given by Hon'ble Supreme Court were general directions given by way of clarifications without going into the merits of the case and the same cannot be said to be the ratio laid down by Hon'ble Supreme Court. The relevant extract of the order dated May 12, 2017 containing the aforesaid observations is as under:

“21. ... Apex Court in case of Price Waterhouse has specifically recorded that the directions given in that case are general directions given as and by way of clarifications without going into the merits of the case. Therefore, directions given

in the facts of Price Waterhouse cannot be said to be the ratio laid down by the Apex Court applicable to all other cases. In these circumstances, appellants are not justified in contending that the directions given by the Apex Court in case of Price Waterhouse must be applied to the case of the appellants.”

11. I have considered the SCN along with the findings of the investigation stated therein and all annexures referred to in para 2 of this order, replies received in the matter and submissions made by the Noticees pursuant to the hearing granted to them. At this juncture, it is relevant to note the provisions of law applicable to the present case:

PFUTP Regulations, 2003

“Regulation 3. Prohibition of certain dealings in securities

No person shall directly or indirectly

- (a) buy, sell or otherwise deal in the securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

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

- (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- (2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—*
 - (a) including in an act which creates false or misleading appearance of trading in the securities market*

.....

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

12. I note from the SCN that during the investigation period, the price of the scrip, Lifeline Drugs had increased. On carrying the analysis of Last Trade Price (hereinafter referred to as “LTP”), it was observed that the scrip opened at Rs. 8.50 on January 10, 2013, reached a high of Rs. 584.35 on November 13, 2013 (hereinafter referred to as “**relevant investigation period**”) and closed at the same price of Rs. 584.35 on the same day. During this period, the market net LTP was Rs. 575.85 with a market volume of 226 shares and the market positive LTP was Rs. 575.90 with a market volume of 207 shares.

13. I note from the SCN that the LTP contribution by the top 10 net positive LTP contributors trading as buyers are as under:

Buyer name	All trades			LTP diff>0			LTP diff < 0			LTP Diff = 0		% of Positive LTP to total Market Positive LTP
	Net LTP	Qty traded	No of trades	LTP impact	Qty traded	No of trades	LTP impact	Qty traded	No of trades	QTY traded	No of trades	
Vikas Jagdishchandra Singhania	128.55	27	25	128.55	26	24	0	0	0	1	1	22.32
Chandrakanta Laddha	92.95	16	13	92.95	14	11	0	0	0	2	2	16.14
Kiritkumar Jayantilal Shah	69.45	11	8	69.45	10	7	0	0	0	1	1	12.06
Shyam Kanheyalal Vyas	41.89	41	36	41.94	39	34	-0.05	1	1	1	1	7.28
Natwar Modi	39.15	4	3	39.15	4	3	0	0	0	0	0	6.80
Hetal Nilesh Gor	24.25	4	4	24.25	4	4	0	0	0	0	0	4.21
N K Sethi HUF	15.00	1	1	15.00	1	1	0	0	0	0	0	2.61
Nellakkara Raghunath	11.90	46	8	11.90	45	7	0	0	0	1	1	2.07
Sumit Goyal	11.45	1	1	11.45	1	1	0	0	0	0	0	1.99
Shukuntaladevi Kishanlal Mahajan	11.20	1	1	11.20	1	1	0	0	0	0	0	1.95
Total of top 10	445.79	152	100	445.84	145	93	-0.05	1	1	6	6	77.42
Market Total	575.85	226	161	575.9	207	149	-0.05	3	2	16	10	100

14. I note from the SCN that out of the total aforementioned 149 trades executed by the LTP contributors on buy side which contributed to a positive LTP of Rs. 575.90, Noticees in the present proceedings namely, Noticee no. 1 i.e. Mr. Anil Vishnu Bharti, Noticee no. 2 i.e.

Mr. Pratik Jain, Noticee no. 3 i.e. Mr. Rajesh Jayantilal Savadia, Noticee no. 4 i.e. Ms. Akshata Majgoankar and Noticee no. 5 i.e. Mr. Narendra Kripashankar Mishra, were counterparty sellers to the 89 trades and contributed Rs. 293.35 to LTP constituting 50.91% of total market positive LTP.

15. The LTP contribution of the aforesaid Noticees (counterparty sellers) is shown in the Table 2 below:

Table 2: LTP Contribution on Sell Side								
Sr. no.	Name of Noticee	Total order quantity (LTP>0)	No. of instances with sell order of 1 share	No. of instances with sell order of 2 shares	Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades (CDSL/NSDL statements)	Balance no. of shares held (CDSL/NSDL statements / Broker declaration)
1	Narendra Kripashankar Mishra	16	14	1	43.2	7.5	25	9
2	Anil Vishnu Bharti	18	18	0	63.05	10.93	25	7
3	Pratik Jain	14	12	1	77.4	13.44	25	10
4	Akshata Majgoankar	17	17	0	42.35	7.34	25	8
5	Rajesh Jayantilal Savadia	26	26	0	67.35	11.7	25	0
Total		91	87	2	293.35	50.93		

16. I note that in the 89 trades as shown above in Table 2, these 5 Noticees placed order only in the range of 1 to 2 shares (in most cases 1 share per trade) whereas buy orders were in the range of 2 to 5000 shares (in most cases the buy orders were in the range of 100-5000) with an average of 1537 shares per trade. I note that by executing these trades, the Noticees contributed to a positive LTP of Rs. 293.35 (50.93%) and thus to the increased scrip price, with each of their trades.

17. The number of trades and quantity of shares traded by the Noticees acting as counterparty sellers which contributed to positive LTP are as under:

Table 3: Details of trades of Noticees								
Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	No of shares before trade	Balance shares after trade
1	Rajesh Jayantilal Savadia	25/03/2013	1	5000	1.45	0.25	25	24
2	Rajesh Jayantilal Savadia	26/03/2013	1	5000	1.55	0.27	24	23
3	Narendra Kripashankar Mishra	01/04/2013	1	5000	1.7	0.3	25	24
4	Rajesh Jayantilal Savadia	04/04/2013	1	5000	1.95	0.34	23	22
5	Anil Vishnu Bharti	05/04/2013	1	5000	2.05	0.36	25	24
6	Akshata Majgoankar	08/04/2013	1	5000	0.85	0.15	25	24
7	Anil Vishnu Bharti	10/04/2013	1	500	0.85	0.15	24	23
8	Narendra Kripashankar Mishra	12/04/2013	1	5000	0.9	0.16	24	23
9	Rajesh Jayantilal Savadia	16/04/2013	1	5000	0.95	0.16	22	21
10	Anil Vishnu Bharti	18/04/2013	1	5000	1	0.17	23	22
11	Akshata Majgoankar	22/04/2013	1	5000	1.05	0.18	24	23
12	Rajesh Jayantilal Savadia	23/04/2013	1	5000	1	0.17	21	20
13	Narendra Kripashankar Mishra	30/04/2013	1	5000	1.05	0.18	23	22
14	Rajesh Jayantilal Savadia	03/05/2013	1	5000	1.1	0.19	20	19
15	Anil Vishnu Bharti	06/05/2013	1	5000	1.1	0.19	22	21
16	Akshata Majgoankar	07/05/2013	1	5000	1.15	0.2	22	21
17	Narendra Kripashankar Mishra	09/05/2013	1	5000	1.2	0.21	22	21
18	Rajesh Jayantilal Savadia	10/05/2013	1	5000	1.2	0.21	19	18
19	Anil Vishnu Bharti	13/05/2013	1	5000	1.25	0.22	21	20
20	Akshata Majgoankar	14/05/2013	1	5000	1.25	0.22	21	20
21	Rajesh Jayantilal Savadia	15/05/2013	1	5000	1.3	0.23	18	17
22	Rajesh Jayantilal Savadia	16/05/2013	1	5000	1.3	0.23	17	16
23	Narendra Kripashankar Mishra	17/05/2013	1	5000	1.35	0.23	21	20
24	Akshata Majgoankar	20/05/2013	1	5000	1.35	0.23	20	19
25	Rajesh Jayantilal Savadia	21/05/2013	1	5000	1.4	0.24	16	15
26	Akshata Majgoankar	22/05/2013	1	5000	1.4	0.24	19	18
27	Rajesh Jayantilal Savadia	24/05/2013	1	100	1.45	0.25	15	14
28	Narendra Kripashankar Mishra	27/05/2013	1	5000	1.5	0.26	20	19
29	Anil Vishnu Bharti	29/05/2013	1	100	1.55	0.27	20	19
30	Rajesh Jayantilal Savadia	30/05/2013	1	10	1.55	0.27	14	13
31	Akshata Majgoankar	03/06/2013	1	500	1.6	0.28	18	17

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32	Narendra Kripashankar Mishra	04/06/2013	2	500	1.65	0.29	19	17
33	Rajesh Jayantilal Savadia	05/06/2013	1	100	1.65	0.29	13	12
34	Narendra Kripashankar Mishra	06/06/2013	1	200	1.7	0.3	17	16
35	Rajesh Jayantilal Savadia	07/06/2013	1	500	1.75	0.3	12	11
36	Anil Vishnu Bharti	10/06/2013	1	100	1.75	0.3	19	18
37	Akshata Majgoankar	11/06/2013	1	500	1.8	0.31	17	16
38	Narendra Kripashankar Mishra	12/06/2013	1	2000	1.85	0.32	16	15
39	Rajesh Jayantilal Savadia	13/06/2013	1	500	1.9	0.33	11	10
40	Rajesh Jayantilal Savadia	18/06/2013	1	100	1.9	0.33	10	9
41	Anil Vishnu Bharti	19/06/2013	1	20	1.95	0.34	18	17
42	Akshata Majgoankar	20/06/2013	1	50	2	0.35	16	15
43	Narendra Kripashankar Mishra	21/06/2013	1	10	2.05	0.36	15	14
44	Rajesh Jayantilal Savadia	24/06/2013	1	10	2.05	0.36	9	8
45	Akshata Majgoankar	25/06/2013	1	10	2.1	0.36	15	14
46	Anil Vishnu Bharti	26/06/2013	1	10	2.15	0.37	17	16
47	Pratik Jain	28/06/2013	1	10	2.25	0.39	25	24
48	Rajesh Jayantilal Savadia	01/07/2013	1	9	2.3	0.4	8	7
49	Anil Vishnu Bharti	03/07/2013	1	8	2.4	0.42	16	15
50	Akshata Majgoankar	04/07/2013	1	10	2.45	0.43	14	13
51	Rajesh Jayantilal Savadia	08/07/2013	1	50	2.5	0.43	7	6
52	Pratik Jain	09/07/2013	1	25	2.55	0.44	23	22
53	Anil Vishnu Bharti	10/07/2013	1	10	2.6	0.45	15	14
54	Pratik Jain	12/07/2013	1	10	2.7	0.47	22	21
55	Narendra Kripashankar Mishra	31/07/2013	1	10	2.85	0.49	14	13
56	Anil Vishnu Bharti	01/08/2013	1	25	2.9	0.5	14	13
57	Akshata Majgoankar	02/08/2013	1	25	2.95	0.51	12	11
58	Pratik Jain	05/08/2013	1	2	3	0.52	21	20
59	Narendra Kripashankar Mishra	06/08/2013	1	100	3.1	0.54	13	12
60	Rajesh Jayantilal Savadia	07/08/2013	1	50	3.15	0.55	6	5
61	Pratik Jain	08/08/2013	1	5	3.2	0.56	20	19
62	Anil Vishnu Bharti	12/08/2013	1	25	3.25	0.56	13	12
63	Akshata Majgoankar	13/08/2013	1	25	3.35	0.58	11	10
64	Pratik Jain	14/08/2013	1	25	3.4	0.59	19	18
65	Narendra Kripashankar Mishra	16/08/2013	1	25	3.45	0.6	12	11
66	Rajesh Jayantilal Savadia	19/08/2013	1	25	3.55	0.62	5	4
67	Pratik Jain	20/08/2013	1	25	3.6	0.63	18	17

68	Anil Vishnu Bharti	21/08/2013	1	10	3.7	0.64	12	11
69	Akshata Majgoankar	22/08/2013	1	10	3.75	0.65	10	9
70	Pratik Jain	26/08/2013	1	25	3.85	0.67	17	16
71	Anil Vishnu Bharti	27/08/2013	1	25	4	0.69	11	10
72	Akshata Majgoankar	28/08/2013	1	10	4.05	0.7	9	8
73	Rajesh Jayantilal Savadia	29/08/2013	1	25	4.1	0.71	4	3
74	Rajesh Jayantilal Savadia	30/08/2013	1	5	4.25	0.74	3	2
75	Pratik Jain	04/09/2013	1	20	4.3	0.75	16	15
76	Rajesh Jayantilal Savadia	05/09/2013	1	25	4.35	0.76	2	1
77	Akshata Majgoankar	06/09/2013	1	200	4.5	0.78	8	7
78	Akshata Majgoankar	06/09/2013	1	25	6.75	1.17	7	6
79	Rajesh Jayantilal Savadia	10/09/2013	1	10	7.15	1.24	1	0
80	Anil Vishnu Bharti	11/09/2013	1	10	9	1.56	10	9
81	Narendra Kripashankar Mishra	12/09/2013	1	10	10	1.74	11	10
82	Pratik Jain	13/09/2013	2	25	13.15	2.28	15	13
83	Narendra Kripashankar Mishra	16/09/2013	1	10	8.85	1.54	10	9
84	Pratik Jain	18/09/2013	1	5	14.75	2.56	13	12
85	Pratik Jain	19/09/2013	1	10	11.25	1.95	12	11
86	Anil Vishnu Bharti	23/09/2013	1	5	12	2.08	9	8
87	Pratik Jain	09/10/2013	1	14	9.4	1.63	11	10
88	Anil Vishnu Bharti	11/10/2013	1	23	9.55	1.66	8	7
89	Rajesh Jayantilal Savadia	24/10/2013	1	10	10.55	1.83	Nil holding	Settled through auction
----	Total of the 5 connected entities	-----	91	1,36,821	293.35	50.93	-----	-----

18. Based on Table 2 and 3 above, I note that the Noticees executed 89 trades on 88 different days. From the trading pattern shown in Table 2 and details of trades shown in Table 3, I note that the Noticees took turns and performed not more than 1 transaction on each day with the exception of two days when two shares were traded by two of the Noticees. I also note that the Noticees had no bona fide intention to sell because when sufficient buy orders were available, the Noticees, despite having adequate holdings i.e. 25 shares in the scrip of Lifeline Drugs, released only 1 share in each transaction and performed not more than one transaction a day, which resulted in creation of positive LTP. I also

note that in view of the repeated nature of such trades by the Noticees, the culpability in increasing the price and creating a misleading appearance of trading, is established. As per the test laid down by the Hon'ble Supreme Court in *Kanaiyalal Baldev Bhai Patel v. SEBI* [2017] 143 SCL 124 (SC), even an act or omission that has the effect of inducing another person to deal in securities constitutes 'fraud' under the SEBI (PFUTP) Regulations. I also note that if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. Therefore, it is evident from the trading pattern of Noticees that they had a common objective to manipulate the scrip price and creating a misleading appearance in trading.

19. I note from the information provided by Purva Sharegistry, Registrar and Transfer Agent (hereinafter referred to as "**RTA**"), that all the Noticees had received same number of shares i.e. 25 shares each in physical form in off-market transactions on the same day i.e. February 15, 2013 from the same entity viz., Welldone Commodities Pvt. Ltd. I also note that it cannot be a mere coincidence that the Noticees happen to acquire the same number of shares in the same scrip i.e. Lifeline Drugs on the same day through off market transfer from the same seller. It is also pertinent to note from the information provided by the depositories (NSDL/CDSL) that after the receipt of shares all the Noticees got their holdings dematerialized in March 2013 and then took turns to execute only a single transaction (sell transaction) of one share each on different trading days (with the exception of 2 transactions) which resulted in higher LTP. Therefore, it is evident from the trading pattern of the 5 Noticees that they were acting in concert and had no bona fide intention to sell their holdings. I note that the intention of the Noticees was to create misleading appearance of trading and mark the price higher thereby manipulating the scrip price of Lifeline Drugs.

20. After perusing the replies of all the Noticees, I observe that Noticee nos. 1 to 5 in replies and submissions made during personal hearing have raised certain common contentions. These contentions are dealt with as under:

- a. It has been submitted by the Noticees that SEBI has taken action only against the Noticees who have allegedly sold only 25 shares, ignoring the counter parties of the same trades. It is also submitted that during the period of investigation, the Noticees had trades with distinct counter parties and none of them have been made Noticees in the SCN. In this regard, I note that the details of the LTP contributors on the buy side is provided in Table 1 of this order. The Noticees were counterparties to the trades of the said LTP contributors on the buy side as can be seen from the trade logs. I note that the Noticees are connected to each other through off market transfers and common scheme to manipulate the price of the scrip of Lifeline Drugs as shown in paragraphs 18 and 19 of this order. However, no such connection is observed in the SCN between the LTP contributors on the buy side and the Noticees contributed to the LTP on the sell side. I also note that the LTP contributors on the buy side were placing buy orders in the range of 100- 5000 and on the other hand, the Noticees were placing sell orders of only 1 share each day and taking turns to execute their trades. Therefore, the contention of the Noticees is not correct.

- b. The Noticees have submitted that the SCN is issued to only to the said five Noticees who had executed 89 trades of the total 226 trades which allegedly contributed to the price rise. However, no action has been taken against the other price contributors without any justification. I note from Table 1, the LTP contributors on the buy side contributed Rs. 575.90 to the total positive LTP contribution. As noted in para 14 of this order, the Noticees were counterparty sellers to 89 trades out of the total 149 trades carried out by the top ten LTP contributors on the buy side. Out of the 149 trades which contributed to positive LTP of Rs 575.9, 89 trades by the Noticees contributed Rs 293.35 which constituted 50.93% of total market positive LTP. I note from paragraphs 18 and 19, the Noticees were acting together and were part of a scheme to increase the price of the scrip of Lifeline Drugs. In pursuance of the said scheme, the Noticees collectively contributed to a price rise of 50.93%. Based on the SCN, I also observe that the other LTP contributors acted individually. The SCN did not find any connection between the remaining counterparty sellers, therefore, on this count, I do not find any fault in the SCN.

- c. The Noticees' have submitted that their trading activity was in response to the already available buy orders. The Noticees also submitted that when the buy orders are already available in the market at a higher price the seller is bound to grab the opportunity and sell his shares. Therefore, if there was any illicit rise in the price of the scrip the same due to the buy orders which were repeatedly placed at higher price than the LTP. In this regard, it is surprising to note that if the Noticees' were only responding to the buyer then there is no reason for the Noticee to place sell orders of only 1 share on different days despite holding 25 shares each of Lifeline Drugs. Further, as shown in paragraphs 18 and 19 of this order, the Noticees were acting together and were instrumental in increasing the price of the scrip, Lifeline Drugs through their trading pattern.
- d. The Noticees have submitted that on perusal of the price volume data, it can be seen that sales of only single shares were happening since the beginning of the investigation period which shows that the Noticees did not create any misleading appearance of trades in the market. On perusal of the trade log, I note that during the relevant investigation period, there were total 157 trades of shares of Lifeline Drugs in the range of 1- 2 shares. Out of the said 157 trades, 103 trades were executed by the Noticees wherein 89 trades contributed to a positive LTP of Rs. 293.35. I note that the Noticees were part of the scheme to manipulate the price of the scrip by placing orders of 1 or 2 shares. Therefore, the submission of the Noticee that there were trades of only single shares in the scrip of Lifeline Drugs is not acceptable as the Noticees, themselves, were majorly trading in single shares.
- e. The Noticee has submitted that it is impossible to know the identity of the parties in a screen based transaction. In this regard, I note that the SCN alleges that the Noticees have colluded amongst themselves by formulating the scheme which involved receiving the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing

more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. It is not the case against the Noticee that they have colluded with the counterparty buyers. Therefore, the contention of the Noticee that it is impossible to know the identity of the parties in a screen based transaction is not acceptable in the facts and circumstances, as stated above, in the present case.

- f. The Noticees have submitted that they have no connection with the other Noticees other than the fact that all the other Noticees had also purchased the shares of Lifeline Drugs from Welldone Commodities Pvt. Ltd. The Noticees have also submitted that for a charge of 'fraud' to be established there has to be some relationship/ nexus/ prior meeting of mind with the other Noticees which is not present in this case. In this regard, I note the observations of the Hon'ble Supreme Court in *Securities and Exchange Board of India v. Kishore R. Ajmera* (2016) 6 SCC 368 wherein the Hon'ble Supreme Court held that direct proof of such meeting of minds elsewhere would rarely be forthcoming and that the conclusion with respect to fraudulent trading has to be drawn from various circumstances such as volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders and such other relevant factors. As stated in paragraphs 18 and 19, the thread connecting the Noticees is that all the Noticees received the same number of shares in the scrip of Lifeline Drugs in physical form from the same seller on the same day i.e. February 15, 2013 and then started trading in the scrip of Lifeline Drugs taking turns and executing trade of more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. Therefore, I cannot accept the contention of the Noticee that there is no connection amongst the Noticee except purchasing shares from the same seller.
- g. The Noticees have argued that it is a settled principle of law, that the parties to the trades should collude amongst themselves to establish charges of fraudulent trading. The Noticees have relied on the observations of the Hon'ble SAT in *M/s Jagruti Securities Ltd. v. SEBI* wherein it was observed 'that in an artificial trade there has to be collusion between the buyer and seller and in the absence of any collusion the

trade cannot be termed as artificial.’ In this connection, I note that the Hon’ble SAT in *Shri Lakhi Prasad Kheradi v. SEBI* (Appeal No. 232 of 2017, decided on June 21, 2018) while rejecting the contention of the appellant that SEBI was not justified in holding that he had indulged in manipulative trades in the absence of any connection established between him and the company or the counter parties, SAT observed the following:

“9. Facts recorded in paras 15 to 17 of the impugned order clearly establish that the trades executed by the appellant had the effect of net positive LTP of Rs. 85.35. Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.

10. As held by the Apex Court in the case of SEBI V/s Kishore R. Ajmera reported in (2016) 6 SCC 368, in the absence of direct evidence, by taking into account immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded it is open to an AO to arrive at a reasonable conclusion that the trades executed were manipulated trades. In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations.”

[Emphasis Supplied]

Further, as observed in paragraphs 18 and 19 above, the manner in which trading by the Noticees has been undertaken in the scrip of Lifeline Drugs, it is sufficient to conclude that it was done fraudulent. In view of the above observations of the Hon’ble SAT and observations at paragraph 20 (f) above, I am unable to accept the argument of the Noticee that there has to be a collusion between the buyer and seller to establish a charge of fraud.

- h. The Noticees have argued that though SEBI has levied the allegation of contribution to the price without alleging synchronization and that had there been any prior agreement between the counter parties, the Noticees would have ensured that the trades executed by them were duly executed which would have resulted in synchronization. I note that synchronization of trades are those wherein ‘buy’ and

‘sell’ orders are placed simultaneously for the same quantity and the price they wish to transact at substantially at the same time. As observed in para 20 (a) and (b), the case against the Noticees i.e. sellers, is that they acted together in a manner to mislead the investors. As shown in para 20 (g), in order to establish fraud it is not necessary that there has to be a collusion between the buyer and seller. Further, the Noticee has relied on the order of the Hon’ble SAT in *Ketan Parekh v. SEBI* (Appeal no. 2/ 2004, decided on July 14, 2006) with respect to synchronized trades to state that SEBI has failed to provide any evidence to prove that there was misleading appearance of trading. I note that the ratio laid down by SAT in *Ketan Parekh v. SEBI*, in fact, goes against the Noticees’ case. The Hon’ble SAT in the said case had observed that any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. The observation of the Hon’ble SAT is not restricted to synchronized trades alone but applies to manipulative trades in general. As noted in paras 18 and 19, the Noticees were acting in concert to manipulate the price of the scrip of Lifeline Drugs.

- i. The Noticees’ have also relied upon the observations of the Hon’ble SAT in *Vintel Securities Pvt. Ltd. v. SEBI* (Appeal no. 291/ 2009, decided on November 23, 2009) to contend that the order should show that charge has been established. The relevant extract of the aforesaid order relied upon by the Noticees is as under:

“A serious charge of fraudulent and unfair trade practice has been established against the appellant without even dealing with the trades executed by it. The adjudicating officer has given no reason whatsoever in support of his conclusion. He has found the appellant guilty in paragraph 14 of the impugned order which is as general as it could be without referring to the details of trades executed by the appellant and without showing as to how it was acting in tandem with the others. This is not the way in which these charges are established. It is not enough to say that the appellant is guilty of the charge. The impugned order must show how the charge stands established. The least that was required was that the

adjudicating officer should have dealt with the trades executed by the appellant and demonstrated as to how the scrip in question was manipulated and the role which the appellant played in that manipulation. It is not in dispute that it was not only the appellant but several other entities were also involved in the manipulation. In the absence of any specific finding in regard to the manner in which the appellant traded in the scrip in question we cannot uphold the impugned order. Consequently, the same is set aside.”

I note that the case cited above has no relevance to the facts of the present case, as the trades executed by the Noticees in the scrip of Lifeline Drugs are shown at Table 2 and 3 and the manner of trading along with the details of collusion between the Noticees has been examined and dealt with at paragraphs 18 and 19 of this order. Therefore, the Noticees’ reliance on the observations of the Hon’ble SAT to argue that the order should show that charge has been established is not applicable to the facts of this proceedings.

- j. The Noticees have argued that the SCN has ignored the increase in the price rise in other phases and all other parties who have contributed to the said price. The Noticees also stated that the price of the scrip has continuously increased prior to the period when the Noticee started trading and subsequently when the Noticee had no contribution to the price rise. I note from the SCN that the SEBI found that the price of the scrip of Lifeline Drugs increased from January 30, 2013 to May 30, 2015. Further, on November 13, 2013, there was a stock split in the scrip in the ratio of 10:1. Based on the variance in the quantum of trading volumes, the price movement of the scrip during the said period and stock split, the period of price rise was divided in the following periods by SEBI:

Patches	Period		Price Movement				Price/Volume trend
	From	To	Open	High	Low	Close	
Patch-1 (pre stock-split)	10/1/2013	13/11/2013	8.5	584.35	8.5	584.35	Price rise with low trading volumes
Patch-2 (post stock-split)	14/11/2013	2/12/2014	59.55	330	59.55	283	Price rise with high trading volumes
Patch-3 (post stock-split)	3/12/2014	30/5/2015	285	304	160	188.4	Price fall with high trading volumes

As per the SCN, there was manipulative trading observed in the scrip of Lifeline Drugs in Patch 1 i.e. the period prior to the stock split, and accordingly, the Noticees were called upon to show cause about their role in the said manipulative trading. Further, as regards the Noticees' contention that SCN has ignored the increase in the price rise in other phases and all other parties who have contributed to the said price, I note that it is not necessary that every price rise in a scrip, must result in manipulation of the scrip, and if it were the case, the SCN would have alleged the same. In the present proceedings, I have to determine whether during the investigation period there was any manipulative trading by the Noticees, on the basis of the allegation in the SCN and the material available on record.

- k. The Noticees have stated that as per the definition of fraud there should be any act, expression, omission or concealment committed by the Noticees which should have induced another person to deal in securities market. The Noticees submitted that upon perusal of the price volume data of the scrip of Lifelines Drugs on the website of BSE, the Noticees have contributed towards hundred per cent volume on days which they have traded and in such case, it cannot be said that Noticees have induced any other entity to trade in the scrip. In this regard, it is pertinent to note the following observations of the Hon'ble SAT in *Pan Asia Advisors Limited v. SEBI* (Appeal No. 126 of 2013, decided on October 25, 2016), while interpreting the expression 'fraud' under the PFUTP Regulations, 2003:

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

securities market and not to take action only after the investors have become victims of such fraud.”

In view of the above observations of the Hon’ble SAT, it is noted that a charge of fraud is established if a person or persons by their acts have led the investors to believe in something which is not true and which thereby induced them to deal in securities irrespective of the fact that any investor has actually become a victim of such fraud or not. Further, in *Ketan Parekh* case (Supra), the Hon’ble SAT observed that ‘if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged. As noted in paragraphs 18 and 19, the scheme/ artifice of which the Noticees were a part of was manipulative in nature and which created a misleading appearance of trading in the scrip of Lifeline Drugs. Therefore, the contention of the Noticee that he did not induce any other person to trade in the scrip is not acceptable.

1. The Noticees’ have submitted that the Noticees have been clubbed with various other entities without any justification and that the allegations levelled against them are not supported by proof. The Noticees have relied on the following decisions of various courts to argue that fraud even in civil proceedings must be established beyond reasonable doubt and that mere surmise, conjecture or suspicion cannot sustain the finding of fault:
 - i. *Union of India v. Chaturbhai M. Patel* (AIR 1976 SC 712)
 - ii. *L. D. Jaisinghani v. Naraindas N. Punjabi* (AIR 1976 SC 373)
 - iii. *Razikram v. J. S. Chauhan* (AIR1975 SC 667)
 - iv. *Ambalal v. Union of India* (AIR 1961 SC 264)
 - v. *Seth Gulabchand v. Seth Kudilal* (AIR 1966 SC 1734)

- vi. *Parsoli Corporation v. SEBI* (SAT order in Appeal no. 146/ 2011, decided on August 12, 2011)
 - vii. *KSL & Industries Ltd. v. SEBI* (SAT order in Appeal no. 9/ 2003, decided on September 30, 2009)
- m. As regards, the Noticees' contention that they have been wrongly bunched with the other entities, I note that the Noticees acquired the same number of shares i.e. 25 shares each in physical form in off-market on the same day i.e. February 15, 2013 from the same entity viz., Welldone Commodities Pvt. Ltd. I also note that it cannot be a mere coincidence that the Noticees happen to acquire the same number of shares in the same scrip, Lifeline Drugs on the same day through off market transfer from the same seller. It is also pertinent to note from the information provided by the depositories (NSDL/CDSL) that after the receipt of shares all the Noticees got their holdings dematerialized in March 2013 and then took turns to execute only a single transaction for one share (sell transaction) on different trading days (with the exception of 2 transactions) which resulted in higher LTP. Therefore, I am unable to accept the argument of the Noticees that they have been clubbed with other entities without any justification.
- n. As regards the Noticees' argument that that fraud even in civil proceedings must be established beyond reasonable doubt and that mere surmise, conjecture or suspicion cannot sustain the finding of fault, I note that it is pertinent to note that the Hon'ble Supreme Court *Kanaiyalal Baldev Bhai Patel v. SEBI* [2017] 143 SCL 124 (SC) while dealing with the definition of "fraud" as provided under SEBI (PFUTP) Regulations, 2003, observed as under:

"...The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement

is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required....”

The Hon’ble Supreme Court further observed as under:

“...14. To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities. Merely because the operation of the aforesaid two provisions of the 2003 Regulations invite penal consequences on the defaulters, proof beyond reasonable doubt as held by this Court in Securities and Exchange Board of India Vs. Kishore R. Ajmera(supra) is not an indispensable requirement. The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified....”

Therefore, in view of the above, I note that as observed by the Hon’ble Supreme Court, in the context of the present case wherein the Noticees have been alleged to have violated Regulations 3 and 4 of the PFUTP Regulations, the correct test is one of preponderance of probabilities, and not the test of proving a case beyond reasonable doubt. I note that the case under consideration is not based on surmises and conjectures since, the evidence brought in the SCN in the form of price volume data, data from RTA, demat account statements of the Noticees obtained from depositories, trade logs and order logs containing the trades and orders placed by the Noticees during the relevant investigation period, impact of trading by Noticees as seen in Table 2 and 3 are sufficient to substantiate the allegations in the SCN. As shown in paragraphs 18 and 19 of this order, the Noticees acquired the same quantity of shares of Lifeline Drugs on the same day from the same seller, and got the said shares dematerialized in the month of March 2013. It is also observed that the Noticees took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip which are supported by documents provided to the Noticees. Further, the Hon’ble Supreme Court in *Kanaiyalal Baldev Bhai Patel v. SEBI (Supra)* also did a comparative analysis of the definition of ‘fraud’ under the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 and the subsequent amendments in the PFUTP Regulations, 2003 and observed that the original definition of ‘fraud’ under the PFUTP Regulation, 1995 adopts the definition of ‘fraud’ from the Indian Contract Act, 1872

whereas the subsequent definition in the 2003 Regulation is a variation of the same and does not adopt the strict definition of ‘fraud’ as present under the Indian Contract Act. The 2003 Regulations include many situations which may not be a ‘fraud’ under the Contract Act or the 1995 Regulation, but nevertheless amounts to a ‘fraud’ under the 2003 Regulations.

21. The crux of other material contentions raised by Noticee no. 1, Mr. Anil Vishnu Bharti in addition to the contentions dealt in para 20 of this order and my findings thereon are as under:

- a. The trades executed by the Noticee were done in normal course devoid of any malafide intentions. In this regard, I note that the Hon’ble Supreme Court in *Kanaiyalal Baldev Bhai Patel v. SEBI* [2017] 143 SCL 124 (SC) explained that the definition of fraud under the SEBI (PFUTP) Regulations contemplates even an act or omission that has the effect of inducing another person to deal in securities. The emphasis should therefore be on the act of inducement, and in the context of SEBI (PFUTP) Regulations the element of dishonesty need not be present or proved and established to be present. Below Table provides the details of trades executed by Noticee no. 1, Mr. Anil Vishnu Bharti are as under:

Table 4: Trades of Noticee no. 1, Mr. Anil Vishnu Bharti								
Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	Qty. before trade	Balance no of shares
1	Anil Vishnu Bharti	05/04/2013	1	5000	2.05	0.36	25	24
2	Anil Vishnu Bharti	10/04/2013	1	500	0.85	0.15	24	23
3	Anil Vishnu Bharti	18/04/2013	1	5000	1	0.17	23	22
4	Anil Vishnu Bharti	06/05/2013	1	5000	1.1	0.19	22	21
5	Anil Vishnu Bharti	13/05/2013	1	5000	1.25	0.22	21	20
6	Anil Vishnu Bharti	29/05/2013	1	100	1.55	0.27	20	19
7	Anil Vishnu Bharti	10/06/2013	1	100	1.75	0.3	19	18
8	Anil Vishnu Bharti	19/06/2013	1	20	1.95	0.34	18	17
9	Anil Vishnu Bharti	26/06/2013	1	10	2.15	0.37	17	16
10	Anil Vishnu Bharti	03/07/2013	1	8	2.4	0.42	16	15
11	Anil Vishnu Bharti	10/07/2013	1	10	2.6	0.45	15	14

12	Anil Vishnu Bharti	01/08/2013	1	25	2.9	0.5	14	13
13	Anil Vishnu Bharti	12/08/2013	1	25	3.25	0.56	13	12
14	Anil Vishnu Bharti	21/08/2013	1	10	3.7	0.64	12	11
15	Anil Vishnu Bharti	27/08/2013	1	25	4	0.69	11	10
16	Anil Vishnu Bharti	11/09/2013	1	10	9	1.56	10	9
17	Anil Vishnu Bharti	23/09/2013	1	5	12	2.08	9	8
18	Anil Vishnu Bharti	11/10/2013	1	23	9.55	1.66	8	7
Total			18	-	63.05	10.93	-	7

From the above Table, I note that the Noticee no. 1 traded in one share each on 18 separate days and each time the trade was executed, there was an increase in the positive LTP. I also note that the Noticee is connected with the other Noticees through off market. The trades of Noticee no. 1, alone contributed to as positive LTP of Rs. 63.03 (10.93 %). As shown in Table 2 and 3, the Noticees also dealt in shares of Lifeline Drugs in a manner similar to that of Noticee no. 1 and contributed positively to the increase in the price of the scrip. By trading in one share, the Noticee has created a misleading appearance of trading in the scrip and thereby misled the investors.

- b. The Noticee no. 1, Mr. Anil Vishnu Bharti in his reply dated January 03, 2019, has submitted that has denied violating the provisions of regulation 3 and 4 of the SEBI (PFUTP) Regulations. As shown in paragraphs 18 and 19 of this order, the Noticees including Noticee no. 1 acquired the same quantity of shares of Lifeline Drugs on the same day from the same seller, and got the said shares dematerialized in the month of March 2013. It is also observed from Table 3 that the Noticees including Noticee no. 1 took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip of Lifeline Drugs. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. In view of the observations above in para 20 (a) to (n) and 21 (a) above, I hold that the Noticee no. 1, Mr. Anil Vishnu Bharti was acting clearly in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

22. The crux of other material contentions raised by Noticee no. 2, Mr. Pratik Jain in addition to those dealt in para 20 and findings thereon are as under:

- a. Noticee no. 2, Mr. Pratik Jain vide his first reply dated January 08, 2018 has stated that he bought only 25 shares of Lifeline Drugs from Welldone Commodities and being a small investor he could only purchase a small quantity. He has also stated that he sold in lesser quantities to minimize his risk and in anticipation to get a better sell price in future. I note that as shown in paragraphs 18 and 19 of this order, all the Noticees received the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. As can be seen from Table 2 and Table 5 below, the Noticee, Mr. Pratik Jain traded in 1 share of Lifeline Drugs on twelve separate days and 2 shares on one day, and with each such trade he contributed to the positive LTP in the scrip. I note that the trades of Noticee no. 2, Mr. Pratik Jain contributed to a positive LTP of Rs. 77.40 out of the total positive LTP of Rs. 575.90.

Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	Oty. before trade	Balance shares
1	Pratik Jain	28/06/2013	1	10	2.25	0.39	25	24
2	Pratik Jain	09/07/2013	1	25	2.55	0.44	23	22
3	Pratik Jain	12/07/2013	1	10	2.7	0.47	22	21
4	Pratik Jain	05/08/2013	1	2	3	0.52	21	20
5	Pratik Jain	08/08/2013	1	5	3.2	0.56	20	19
6	Pratik Jain	14/08/2013	1	25	3.4	0.59	19	18
7	Pratik Jain	20/08/2013	1	25	3.6	0.63	18	17
8	Pratik Jain	26/08/2013	1	25	3.85	0.67	17	16
9	Pratik Jain	04/09/2013	1	20	4.3	0.75	16	15
10	Pratik Jain	13/09/2013	2	25	13.15	2.28	15	13

11	Pratik Jain	18/09/2013	1	5	14.75	2.56	13	12
12	Pratik Jain	19/09/2013	1	10	11.25	1.95	12	11
13	Pratik Jain	09/10/2013	1	14	9.4	1.63	11	10
Total			14		77.4	13.44		10

- b. In his second reply dated January 14, 2018, the Noticee has submitted that the Noticee comes from a small town of Deoli in Rajasthan. Based on the advice of a friend, the Noticee purchased the shares of Lifeline Drugs. The same friend assisted him in acquiring 25 shares of Lifeline Drugs at Rs. 50 each amounting to a total of Rs. 1250 as he did not have too much expendable income to invest in securities market. In this regard, I note upon perusal of Annexure 1 to the SCN i.e. details of price and volume during the investigation period, I note that the date on which the Noticee purchased the shares of Lifeline Drugs in physical format from Welldone Commodities Pvt. Ltd. the price of a single share in the scrip on the Exchange platform was at Rs. 15.18. Based on the submissions of the Noticee, I note that the Noticee paid Rs. 34.82 extra to acquire the shares of Lifeline Drugs. I note that the stock exchange provides a platform for investors to buy and sell securities from each other in an organized and regulated manner. Normally, investors come to the stock exchange in order to get a competitive price and a liquid market in which transactions can be completed efficiently. On the other hand, for off market transactions to be executed successfully, the following four parameters are essential: (1) the buyer and seller should know each other, (2) the buyer must have knowledge of the fact that seller is holding the shares of the scrip which the buyer is interested to buy, (3) the buyer must have knowledge of the fact that seller is willing to sell the shares in that scrip and (4) the buyer must have knowledge of the price at which the seller is willing to sell the shares. Off market transfers, on the other hand, require the investor to scout for a buyer/ seller, as the case may be, without the benefits of regulatory and redressal provisions of the law. The fact that the Noticee ignored the competitive price available for shares of the Lifeline Drugs through the Exchange platform and proceeded to acquire shares in off market increases his culpability in the scheme/ artifice to manipulate the price of the scrip, Lifeline Drugs.

- c. The Noticee saw that there was a constant increase in the prices of the shares and believed that if he sold the shares available with him on a single day he will not be able to get the benefit of the subsequent price rise, so he decided to sell single share and reap benefit of the constant increase in the share prices. As shown in para 18 and 19 of this order above, the circumstances surrounding the acquisition and sale of shares of Lifeline Drugs do not indicate such a naïve picture as one sought to be painted by the Noticee. Therefore, I am unable to accept the contention of the Noticee, that he sold single share of Lifeline Drugs every day to reap benefits of the increase in price.
- d. The Noticee has submitted that he has executed only 13 trades for a total of 14 shares and contributed to only 13.4% to the total price rise. As stated in paragraphs 18 and 19, all the Noticees received the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. The Noticees were acting in concert and together contributed Rs 293.35 which constituted 50.93% of total market positive LTP of Rs 575.90 through their 89 trades. Therefore, I am unable to accept the contention of the Noticee that he contributed to only 13.4% to the total price rise.
- e. The Noticee has submitted that from the order log provided to the Noticee it is seen that the Noticee had placed 28 distinct sell orders out of which 13 orders did not get executed and that had the Noticee been party to the alleged scheme of manipulation, he would have ensured that all order placed by him would have been executed. I note from the order log and trade log that all the sell orders placed by the Noticee were executed on the exchange platform except the sell order placed on September 02, 2019.

- f. The Noticee had also referred to this trade on September 18, 2013 stating that his sell order placed at Rs. 309.75 at 15:13:39 was much after the buy order which was placed at 14:49:58 at Rs. 309.75. The Noticee has submitted that his sell order was placed much after the buy order and from the aforesaid it can be deducted that the Noticee had no role in contributing to the positive LTP as he was only meeting the demands of the buyer. In this regard, I note from the order log that the buy order on September 18, 2013 was placed for purchase of 5 shares. On the said date, I note that the Noticee was in possession of 13 shares, yet the Noticee placed a sell order of only one share. Based on the order log, I also note that on September 18, 2013 the Noticee had placed a sell order for 2 shares at Rs. 307 at 14:32:18 hours but deleted the same at 15:13:26 hours because it could get executed. Within seconds the Noticee placed a sell order of 1 share to match the buyer's price of Rs. 309.75. I note that the said trade of the Noticee on September 18, 2019 led to positive LTP of Rs. 14.75. Furthermore, as per the order log, on date of the said trade only the Noticee had placed sell orders in the scrip of Lifeline Drugs. Therefore, I note that the Noticee was acting in pursuance of a scheme to manipulate the price of the scrip of Lifeline Drugs.
- g. As shown in paragraphs 18 and 19 of this order, the Noticees including Noticee no. 2 acquired the same quantity of shares of Lifeline Drugs on the same day from the same seller, and got the said shares dematerialized in the month of March 2013. It is also observed that from Table 3 that the Noticees including Noticee no. 2 took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip of Lifeline Drugs. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. In view of the observations above in para 20 (a) to (n) and para 22 (a) to (f), I hold that the Noticee no. 2, Mr. Pratik Jain was acting clearly in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

23. The crux of other material contentions raised by Noticee no. 3, Mr. Rajesh Jayantilal Savadia in addition to those dealt in para 20 and findings thereon are as under:

- a. Noticee no. 3, Mr. Rajesh Jayantilal Savadia vide his first reply dated February 01, 2018 while denying the allegations in the SCN has stated that he purchased 25 shares of Lifeline Drugs from Welldone Commodities and the consideration for the same was duly paid. It was also submitted that all his trades were done in regular course and are not manipulative as alleged. As shown in paragraphs 18 and 19 of this order, all the Noticees received the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. As can be seen from Table 2 and Table 6 below, the Noticee, Mr. Rajesh Jayantilal Savadia are traded in 1 share of Lifeline Drugs on twenty six (26) separate days (Mr. Rajesh Jayantilal Savadia had executed 1 sale transaction of 1 share on October 24, 2013, without having any holding and the same was settled through auction), and with each such trade he contributed to the positive LTP in the scrip. I note that the trades of Noticee no. 3, Mr. Rajesh Jayantilal Savadia contributed to a positive LTP of Rs. 67.35 out of the total positive LTP of Rs. 575.90. Therefore, I am unable to accept the contention of the Noticee that all his trades were done in regular course and are not manipulative.

Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	Qty. before trade	Balance shares
1	Rajesh Jayantilal Savadia	25/03/2013	1	5000	1.45	0.25	25	24
2	Rajesh Jayantilal Savadia	26/03/2013	1	5000	1.55	0.27	24	23
3	Rajesh Jayantilal Savadia	04/04/2013	1	5000	1.95	0.34	23	22
4	Rajesh Jayantilal Savadia	16/04/2013	1	5000	0.95	0.16	22	21
5	Rajesh Jayantilal Savadia	23/04/2013	1	5000	1	0.17	21	20

6	Rajesh Jayantilal Savadia	03/05/2013	1	5000	1.1	0.19	20	19
7	Rajesh Jayantilal Savadia	10/05/2013	1	5000	1.2	0.21	19	18
8	Rajesh Jayantilal Savadia	15/05/2013	1	5000	1.3	0.23	18	17
9	Rajesh Jayantilal Savadia	16/05/2013	1	5000	1.3	0.23	17	16
10	Rajesh Jayantilal Savadia	21/05/2013	1	5000	1.4	0.24	16	15
11	Rajesh Jayantilal Savadia	24/05/2013	1	100	1.45	0.25	15	14
12	Rajesh Jayantilal Savadia	30/05/2013	1	10	1.55	0.27	14	13
13	Rajesh Jayantilal Savadia	05/06/2013	1	100	1.65	0.29	13	12
14	Rajesh Jayantilal Savadia	07/06/2013	1	500	1.75	0.3	12	11
15	Rajesh Jayantilal Savadia	13/06/2013	1	500	1.9	0.33	11	10
16	Rajesh Jayantilal Savadia	18/06/2013	1	100	1.9	0.33	10	9
17	Rajesh Jayantilal Savadia	24/06/2013	1	10	2.05	0.36	9	8
18	Rajesh Jayantilal Savadia	01/07/2013	1	9	2.3	0.4	8	7
19	Rajesh Jayantilal Savadia	08/07/2013	1	50	2.5	0.43	7	6
20	Rajesh Jayantilal Savadia	07/08/2013	1	50	3.15	0.55	6	5
21	Rajesh Jayantilal Savadia	19/08/2013	1	25	3.55	0.62	5	4
22	Rajesh Jayantilal Savadia	29/08/2013	1	25	4.1	0.71	4	3
23	Rajesh Jayantilal Savadia	30/08/2013	1	5	4.25	0.74	3	2
24	Rajesh Jayantilal Savadia	05/09/2013	1	25	4.35	0.76	2	1
25	Rajesh Jayantilal Savadia	10/09/2013	1	10	7.15	1.24	1	0
26	Rajesh Jayantilal Savadia	24/10/2013	1	10	10.55	1.83	Nil holding	Settled through auction
Total			26	-	67.35	11.7	-	0

b. I note that the Noticee has stated that on March 25, 2013 (erroneously mentioned as January 25, 2013 in the reply), a buy order for 5000 shares was placed at 09:00:00 hours at Rs. 31.25 which was Rs. 1.45 more than the LTP and the Noticee placed a sell order at 14:02:19 hours. The Noticee has submitted that as the Noticee placed the sell order later than the buy order, he cannot be held liable for increase in scrip price. I note that as per the order log, on date of the said trade i.e. March 25, 2013 only the Noticee had placed sell orders in the scrip of Lifeline Drugs which led to a positive LTP of Rs. 1.45. I note that had the Noticee not placed the sell order at the said price, the trade would not have been executed and resultantly, there would have been no

price rise. Therefore, I am unable to accept the contention of the Noticee that he cannot be held liable for increase in scrip price.

- c. As shown in paragraphs 18 and 19 of this order, the Noticees including Noticee no. 3 acquired the same quantity of shares of Lifeline Drugs on the same day from the same seller, and got the said shares dematerialized in the month of March 2013. It is also observed from Table 3 that the Noticees including Noticee no. 3 took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip of Lifeline Drugs. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. In view of the observations above in para 20 (a) to (n) and para 23 (a), I hold that the Noticee no. 3, Mr. Rajesh Jayantilal Savadia was acting clearly in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

24. The crux of other material contentions raised by Noticee no. 4, Ms. Akshata Majgoankar in addition to those dealt in para 20 and findings thereon are as under:

- a. Noticee no. 4, Ms. Akshata Majgoankar vide her first reply dated January 18, 2018 which is in Marathi language has submitted that looking at the way the price of the scrip of Lifeline Drugs was increasing she thought it would be beneficial to sell the shares in small tranches. In this regard, as shown in paragraphs 18 and 19 of this order, all the Noticees received the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing more than one share in the scrip on each day and contributing to the positive LTP by their trades on every such occasion. As can be seen from Table 2 and Table 7 below, the Noticee, Ms. Akshata Majgoankar traded in 1 share of Lifeline Drugs on seventeen (17) separate days, and with each such trade she contributed to the positive LTP in the scrip. I note that the trades of Noticee no. 4, Ms. Akshata Majgoankar contributed to a positive LTP of Rs. 42.35 out of the total

positive LTP of Rs. 575.90. Therefore, I am unable to accept the contention of the Noticee that she traded in the scrip to benefit from selling the shares in smaller tranches.

Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	Qty. before trade	Balance shares
1	Akshata Majgoankar	08/04/2013	1	5000	0.85	0.15	25	24
2	Akshata Majgoankar	22/04/2013	1	5000	1.05	0.18	24	23
3	Akshata Majgoankar	07/05/2013	1	5000	1.15	0.2	22	21
4	Akshata Majgoankar	14/05/2013	1	5000	1.25	0.22	21	20
5	Akshata Majgoankar	20/05/2013	1	5000	1.35	0.23	20	19
6	Akshata Majgoankar	22/05/2013	1	5000	1.4	0.24	19	18
7	Akshata Majgoankar	03/06/2013	1	500	1.6	0.28	18	17
8	Akshata Majgoankar	11/06/2013	1	500	1.8	0.31	17	16
9	Akshata Majgoankar	20/06/2013	1	50	2	0.35	16	15
10	Akshata Majgoankar	25/06/2013	1	10	2.1	0.36	15	14
11	Akshata Majgoankar	04/07/2013	1	10	2.45	0.43	14	13
12	Akshata Majgoankar	02/08/2013	1	25	2.95	0.51	13	12
13	Akshata Majgoankar	13/08/2013	1	25	3.35	0.58	12	11
14	Akshata Majgoankar	22/08/2013	1	10	3.75	0.65	11	10
15	Akshata Majgoankar	28/08/2013	1	10	4.05	0.7	10	9
16	Akshata Majgoankar	06/09/2013	1	200	4.5	0.78	9	8
17	Akshata Majgoankar	06/09/2013	1	25	6.75	1.17	8	7
Total			17		42.35	7.34		7

- b. Noticee no. 4 has argued that the Noticee placed her sell order much after the buy orders and that she was following only the market trend at the relevant time and therefore, cannot be held liable for placing an order at a price more than the LTP. I note that the said argument has been dealt with at para 20 (c) of this order.
- c. As shown in paragraphs 18 and 19 of this order, the Noticees including Noticee no. 4 acquired the same quantity of shares of Lifeline Drugs on the same day from the

same seller, and got the said shares dematerialized in the month of March 2013. It is also observed from Table 3, the Noticees including Noticee no. 4 took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip of Lifeline Drugs. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. In view of the observations above in para 20 (a) to (n) and 24 (a), I hold that the Noticee no. 4, Ms. Akshata Majgoankar was acting clearly in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

25. The crux of other material contentions raised by Noticee no. 5, Mr. Narendra Kripashankar Mishra in addition to those dealt in para 20 and findings thereon are as under:

- a. Noticee no. 5, Ms. Narendra Kripashankar Mishra vide his reply dated February 22, 2019 has submitted that the trades executed by him were in the normal course of business devoid of any fraudulent intentions. The Noticee has also submitted that out of the 226 trades that contributed to the price rise, the Noticee has executed only 15 trades for selling 16 shares. In this regard, as shown in paragraphs 18 and 19 of this order, all the Noticees received the same number of shares i.e. 25 shares in the scrip of Lifeline Drugs in physical form from the same seller, Welldone Commodities Pvt. Ltd. on the same day i.e. February 15, 2013. The Noticees then got the shares dematerialized in March 2013, and then started trading in the scrip of Lifeline Drugs taking turns and not executing more than one share in the scrip on each day (except on one occasion when he sold 2 shares on June 06, 2013) and contributing to the positive LTP by their trades on every such occasion. As can be seen from Table 2 and Table 8 below, the Noticee, Mr. Narendra Kripashankar Mishra traded in 1 share of Lifeline Drugs on fourteen (14) separate days and 2 shares on one day, and with each such trade he contributed to the positive LTP in the scrip. I note that the trades of Noticee no. 5, Mr. Narendra Kripashankar Mishra contributed to a positive LTP of Rs. 43.20 out of the total positive LTP of Rs. 575.90. Therefore, I am unable to

accept the contention of the Noticee that he traded in the scrip without any fraudulent intention.

Sr no.	Entity Name	Trade date	Sell vol	Buy vol	LTP (Rs)	LTP (%)	Qty. before trade	Balance shares
1	Narendra Kripashankar Mishra	01/04/2013	1	5000	1.7	0.3	25	24
2	Narendra Kripashankar Mishra	12/04/2013	1	5000	0.9	0.16	24	23
3	Narendra Kripashankar Mishra	30/04/2013	1	5000	1.05	0.18	23	22
4	Narendra Kripashankar Mishra	09/05/2013	1	5000	1.2	0.21	22	21
5	Narendra Kripashankar Mishra	17/05/2013	1	5000	1.35	0.23	21	20
6	Narendra Kripashankar Mishra	27/05/2013	1	5000	1.5	0.26	20	19
7	Narendra Kripashankar Mishra	04/06/2013	2	500	1.65	0.29	19	17
8	Narendra Kripashankar Mishra	06/06/2013	1	200	1.7	0.3	17	16
9	Narendra Kripashankar Mishra	12/06/2013	1	2000	1.85	0.32	16	15
10	Narendra Kripashankar Mishra	21/06/2013	1	10	2.05	0.36	15	14
11	Narendra Kripashankar Mishra	31/07/2013	1	10	2.85	0.49	14	13
12	Narendra Kripashankar Mishra	06/08/2013	1	100	3.1	0.54	13	12
13	Narendra Kripashankar Mishra	16/08/2013	1	25	3.45	0.6	12	11
14	Narendra Kripashankar Mishra	12/09/2013	1	10	10	1.74	11	10
15	Narendra Kripashankar Mishra	16/09/2013	1	10	8.85	1.54	10	9
Total			16		43.2	7.52		9

- b. Noticee no. 5 has provided an analysis of his trades without any making any submissions in this regard. Therefore, I am not noting any observations in this regard.
- c. As shown in paragraphs 18 and 19 of this order, the Noticees including Noticee no. 5 acquired the same quantity of shares of Lifeline Drugs on the same day from the same seller, and got the said shares dematerialized in the month of March 2013. It is also observed from Table 3 that the Noticees including Noticee no. 5 took turns to trade in single shares of Lifeline Drugs every day and increased the price of the scrip of Lifeline Drugs. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its

impact have to be looked into holistically, and not in isolation. In view of the observations above in para 20 (a) to (n) and 25 (a), I hold that the Noticee no. 5, Mr. Narendra Kripashankar Mishra was acting clearly in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

26. From the above, I note that the Noticees are connected to each other receipt of same number of shares from the same seller Welldone Commodities Pvt. Ltd. on the same date i.e February 15, 2013. Based on the trading pattern, I note that that the Noticees were acting in concert to manipulate the price of the scrip. I also note from the trading pattern that the trades of the Noticees had an impact on the price of the scrip. Despite sufficient buy orders being available in the market, they released one share in each transaction and performed not more than one transaction a day. By these trades, they matched the price of prevailing buy orders which were placed at a higher price than the LTP and thus contributed to increased scrip price with each of their trades, and thereby misled the investors. In view of the repeated nature of such trades by these Noticees, their culpability in increasing the price is thus established. From the above trading pattern, I further note that the intention of these Noticees was to mark the price higher and not merely to enter into the sale transactions carried out by them. However, I note that the shareholding of the Noticees in the scrip of Lifeline Drugs was very small.

27. In view of the above, I note that by indulging in trades that resulted in manipulation of the price of the scrip and by indulging in a trading pattern which created misleading appearance of trading in the scrip, Noticee no.1 to 5 namely, 1) Mr. Anil Vishnu Bharti, 2) Mr. Pratik Jain, 3) Mr. Rajesh Jayantilal Savadia, 4) Ms. Akshata Majgoankar and 5) Mr. Narendra Kripashankar Mishra have violated Regulation 3 (a),(b), (c), (d) and Regulation 4 (1), 4 (2) (a), (e) of SEBI (PFUTP) Regulations, 2003 and, hence, in view of the above, I find the Noticees to be guilty of violating 3(a),(b), (c),(d) and Regulation 4(1), 4(2) (a) & 4(2) (e) of SEBI (PFUTP) Regulations, 2003.

ORDER & DIRECTIONS

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

Noticee No.	Name of the Noticees	PAN
1	Mr. Anil Vishnu Bharti	AHWPB8347C
2	Mr. Pratik Jain	AMCPJ6859L
3	Mr. Rajesh Jayantilal Savadia	AAVPS3632H
4	Ms. Akshata Majgoankar	ASMMPM0261B
5	Mr. Narendra Kripashankar Mishra	ANLPM9657K

29. This order shall come into force with immediate effect.

30. A copy of this order shall be sent to the Principal Director of Income Tax (Inv.), Kolkata.

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

Date: July 18, 2019

Place: Mumbai

Sd/-

ANANTA BARUA

WHOLE TIME MEMBER