

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER
FINAL ORDER**

**Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of
India Act, 1992**

**In Re: Securities and Exchange Board of India (Prohibition of Fraudulent and
Unfair Trade Practices Relating to Securities Market) Regulations, 2003**

In respect of:

S. No.	Name of the Entity	PAN
1.	Ms. Sapna Dilip Bombaywala	AMKPB6719K

In the matter of Jolly Plastic Industries Ltd.

BACKGROUND

1. Jolly Plastic Industries Ltd. (hereinafter referred to as “**JPIL / Company**”) is in the business of trading of plastic, plastics related materials and PVC. The company is listed on BSE.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted an investigation in the scrip of JPIL based on a reference received from the Principal Director of Income Tax (Investigation), Kolkata. The focus of the investigation was to ascertain whether there were any violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) by certain

entities in the scrip of JPIL during the period February 14, 2012 to November 27, 2014 (hereinafter referred to as “**Investigation Period**”).

3. During the investigation period, corporate announcements were related to declaration of financial results and meeting of the Board of Directors of the company. The company made an announcement pertaining to stock split and declared November 14, 2014 as the record date. However, the company later withdrew the record date and announced that the new record date would be intimated after shifting the company's scrip code to demat mode. Further, it is observed from the Investigation Report (hereinafter referred to as “**IR**”) that the net profit of the company for the year ending March 2012 and, March 2013 was zero and that of year ending March 2014 and March 2015 was ₹ 0.01 crore and ₹ 0.07 crore respectively.
4. During the investigation period 91,24,200 shares were traded through 5,549 trades. Trading in JPIL was suspended w.e.f February 17, 2003 on account of non-submission of quarterly results and later revoked w.e.f. February 13, 2012. The scrip was suspended from trading as a surveillance measure since January 7, 2015. There were no trades in the scrip from November 28, 2014 i.e. after the investigation period until January 7, 2015.
5. The scrip was in physical rolling with the market lot size being 100 shares throughout the investigation period. Further, the scrip was traded in ‘T’ group from February 14, 2012 to August 21, 2014, and started trading in ‘P’ group on September 02, 2014 (there was no trading in the scrip at BSE during August 22, 2014 to September 01, 2014). The scrip price opened at low price of ₹ 10 on February 14, 2012 and touched a high of ₹ 317 on November 18, 2013 and closed at ₹ 122 on November 27, 2014.
6. Based on price trend (rise/ fall), the investigation period has been split into 5 patches, details of which are given below:

Period	Dates		Opening Price (volume) on first day of the period (₹)	Closing price (volume) on last day of the period (₹)	Low price(volume) during the period (₹)	High Price(volume) during the period (₹)	Avg. no. of (shares) traded daily during the period
Scrip suspended during pre-investigation period							
During Patch-1	14/02/2012 – 18/12/2012	Price	10	90.8	10 (14/02/2012)	90.8 (18/12/2012)	341
		Vol	100	100	100 (on 56 different trading days)	5100 (29/11/2012)	
Patch-2	19/12/2012 – 05/02/2013	Price	92.6	35.55	34.5 (05/02/2013)	92.6 (19/12/2012)	1,430
		Vol	4,900	4,600	100 (on 14 different trading days)	13900 (09/01/2013)	
Patch-3	06/02/2013 – 23/09/2013	Price	34.55	305	34.55 (06/02/2013)	305 (23/09/2013)	14,977
		Vol	500	3,000	100 (on 12 different trading days)	140100 (04/09/2013)	
Patch-4	16/12/2013 – 25/06/2014	Price	288	49.5	49.5 (25/06/2014)	301.8 (16/12/2013)	41,852
		Vol	38,600	100	100 (on 39 different trading days)	459100 (25/03/2014)	
Patch-5	09/07/2014 – 27/11/2014	Price	51.95	122	49.65 (03/09/2014)	122 (27/11/2014)	17,750
		Vol	10,600	42,200	100 (on 11 different trading days)	105500 (20/11/2014)	
No trading and subsequently scrip suspended on 07/01/2015							

SHOW CAUSE NOTICE

7. Consequent to the investigation, a show cause notice dated December 22, 2017 (hereinafter referred to as “SCN”) was served on Sapna Dilip Bombaywala (hereinafter referred to as “Noticee”) in the extant matter. The SCN *inter alia* alleged as follows:

a) The Last Traded Price (hereinafter referred to as “LTP”) analysis of the 5 patches was done and the details of patch 1 qua the Noticee is given below:

a) **LTP Analysis: Patch 1 - (Price Rise Patch: February 14, 2012 to December 18, 2012):**

- During this patch, the price of the scrip went up from ₹ 10 (open price on February 14, 2012) to close at ₹ 90.8 (December 18, 2012). In order to ascertain whether the sellers have contributed to the price rise during patch-

1 of the investigation period, an analysis of sellers for this patch was carried out. On the basis of their net positive LTP contribution as sellers, the following top 10 entities were considered for further analysis:

Seller Name	LTP impact all trades in ₹	QTY traded (all trades)	No of trades (all trades)	LTP impact (with LTP diff > 0) in ₹	QTY traded (with LTP diff > 0)	No of trades (with LTP diff > 0)	LTP impact (with LTP diff < 0) in ₹	QTY traded (with LTP diff < 0)	No of trades (with LTP diff < 0)	QTY traded (with LTP diff = 0)	No of trades (with LTP diff = 0)	% of Positive LTP to Total Market Positive LTP
Sapna Bombaywala	40.34	6500	46	40.34	4100	41	0	0	0	2400	5	49.62%
Bhikam Kothari	3.65	500	4	3.65	400	3	0	0	0	100	1	4.49%
Motilal Jatanlal Begani	3.6	500	5	3.6	300	3	0	0	0	200	2	4.43%
Lalji Ratanji Vanpariya	3.35	900	3	3.35	700	2	0	0	0	200	1	4.12%
Ishwarlal Vanpariya	3.3	600	3	3.3	400	2	0	0	0	200	1	4.06%
Varsha Thakker	2.3	400	3	2.3	200	2	0	0	0	200	1	2.83%
Vijay Borsaliwala	1.8	200	2	1.8	200	2	0	0	0	0	0	2.21%
Parameshwari	1.75	100	1	1.75	100	1	0	0	0	0	0	2.15%
Rameshchandra Shah	1.6	800	2	1.6	300	1	0	0	0	500	1	1.97%
Madhuri Bhagvat	1.55	100	1	1.55	100	1	0	0	0	0	0	1.91%
Top 10 Sub Total	63.24	10600	70	63.24	6800	58	0	0	0	3800	12	77.79%
Rest Of Market	17.56	16000	80	18.06	2500	19	-0.5	100	1	13300	59	22.21%
Market Total	80.8	26600	150	81.3	9300	77	-0.5	100	1	17100	71	100%

- As can be seen from table above, the top 10 LTP contributors as sellers have 77.79% in total positive LTP contribution during Patch-1. Further, only Noticee has contributed more than 5% of market positive LTP during the patch. Noticee has contributed ₹ 40.34 (49.62%) of total market positive LTP during patch-1 through 41 trades. A summary of the positive LTP contributing trades of Noticee is placed below:

Trade Date	Buyer Name	Seller Name	LTP at Sell Order Entry	Trade Price	LTP Difference	Buy Order Volume	Sell Order Volume	Buy Order LMT	Sell Order LMT
05.09.2012	Rajesh Maganbhai Bhajiwala	Noticee	15.46	16.2	0.74	100	100	09:15:00	15:05:44
06.09.2012	Rajesh Maganbhai Bhajiwala	Noticee	16.2	17	0.8	100	100	09:15:00	15:20:51
07.09.2012	Bharat Bagri Huf	Noticee	17	17.85	0.85	1100	100	09:15:00	09:37:10
08.09.2012	Sneha Goenka	Noticee	17.85	18.7	0.85	900	100	11:15:01	12:13:45
10.09.2012	Vishnu Daji Hode	Noticee	18.7	19.6	0.9	100	100	09:15:00	15:18:00

Trade Date	Buyer Name	Seller Name	LTP at Sell Order Entry	Trade Price	LTP Difference	Buy Order Volume	Sell Order Volume	Buy Order LMT	Sell Order LMT
11.09.2012	Ramaswamy Manickam Subramaniam	Noticee	19.6	20.55	0.95	500	100	09:15:00	15:22:35
12.09.2012	Ramaswamy Manickam Subramaniam	Noticee	20.55	21.55	1	400	100	09:15:00	15:08:05
13.09.2012	Manjulaben Sukhdev Pandya	Noticee	21.55	22.6	1.05	2000	100	09:15:00	13:34:52
14.09.2012	Sneha Goenka	Noticee	22.6	23.7	1.1	200	100	09:15:00	09:28:37
17.09.2012	Shubh Vinayak Trading And Investments Pvt Ltd	Noticee	23.7	24.85	1.15	1000	100	09:15:00	14:59:16
18.09.2012	Sarita Chandak	Noticee	24.85	26.05	1.2	5000	100	09:15:00	15:06:05
20.09.2012	Sneha Goenka	Noticee	26.05	27.35	1.3	300	100	09:15:00	10:50:27
21.09.2012	Chandrakanta Laddha	Noticee	27.35	28.7	1.35	3000	100	09:15:00	09:22:51
24.09.2012	Manjulaben Sukhdev Pandya	Noticee	28.7	30.1	1.4	3000	100	09:15:00	15:24:04
25.09.2012	Namrata Begani	Noticee	30.1	31.6	1.5	400	100	09:15:00	15:25:20
26.09.2012	Nathilal Rungta	Noticee	31.6	33.15	1.55	1000	100	09:15:00	15:24:34
27.09.2012	Bharat Bagri Huf	Noticee	33.15	33.8	0.65	700	100	09:15:00	15:11:45
28.09.2012	Sneha Goenka	Noticee	33.8	34.45	0.65	100	100	09:15:00	15:16:25
01.10.2012	Bharat Bagri Huf	Noticee	34.45	35.1	0.65	600	100	09:15:00	15:21:02
03.10.2012	Jayesh Narendra Kesharia Huf	Noticee	35.1	35.8	0.7	1000	100	09:15:00	15:12:38
04.10.2012	Bharat Bagri Huf	Noticee	35.8	36.5	0.7	400	100	09:15:00	13:06:16
05.10.2012	Mukesh Kumar Sukhani	Noticee	36.5	37.2	0.7	200	100	09:15:00	11:32:14
08.10.2012	Bharat Bagri Huf	Noticee	37.2	37.9	0.7	200	100	09:15:00	11:13:08
09.10.2012	Nathilal Rungta	Noticee	37.9	38.65	0.75	1000	100	09:15:00	09:48:28
10.10.2012	Jayesh Narendra Kesharia Huf	Noticee	38.65	39.4	0.75	900	100	09:15:00	09:44:22
11.10.2012	Mukesh Kumar Sukhani Huf	Noticee	39.4	40.15	0.75	200	100	09:15:00	09:43:05
12.10.2012	Jayesh Narendra Kesharia Huf	Noticee	40.15	40.95	0.8	800	100	09:15:00	09:47:07
15.10.2012	Sonal Agarwal Huf	Noticee	40.95	41.75	0.8	500	100	09:15:00	09:15:34
16.10.2012	Cosco Vanijya Pvt Ltd	Noticee	41.75	42.55	0.8	2000	100	09:15:00	15:04:56
18.10.2012	Bharat Bagri Huf	Noticee	43.4	44.25	0.85	600	100	09:15:00	09:34:15
25.10.2012	Sonal Agarwal Huf	Noticee	46	46.9	0.9	500	100	09:15:00	15:26:42
26.10.2012	Nathilal Rungta	Noticee	46.9	47.8	0.9	600	100	09:15:00	15:18:17
29.10.2012	Manjulaben Sukhdev Pandya	Noticee	47.8	48.75	0.95	1500	100	09:15:00	15:24:55
30.10.2012	Bharat Bagri Huf	Noticee	48.75	49.7	0.95	600	100	09:15:00	15:24:19
06.11.2012	Rohit Begani Huf	Noticee	52.65	53.7	1.05	300	100	09:15:00	15:18:48
08.11.2012	Bharat Bagri Huf	Noticee	54.75	55.8	1.05	500	100	09:15:00	15:20:56
13.11.2012	Manjulaben Sukhdev Pandya	Noticee	56.9	58	1.1	900	100	15:45:00	16:26:43
20.11.2012	Nirav Rajababu Gandhi	Noticee	61.5	62.7	1.2	300	100	09:15:00	15:24:01
22.11.2012	Bhola Jaiswal	Noticee	63.95	65.2	1.25	300	100	09:15:00	15:28:14
06.12.2012	Bharat Bagri Huf	Noticee	76.2	77.7	1.5	300	100	09:15:00	15:22:43
10.12.2012	Rahul Kumar Agrawal	Noticee	79.25	80.8	1.55	2500	100	09:15:00	15:22:35

- From the above table, it can be observed that these positive LTP contributing trades of Noticee were carried out on consecutive days. Further, only in 4

trades out of the 41 positive LTP contributing trades of Noticee, the buy quantity was small i.e. 100 shares (minimum lot size). In all other trades, it can be seen that the buy orders were placed for more than 100 shares, infact, one buy order quantity was for 5,000 shares. Thus, buy orders for large quantity of shares were available before placing sell order but the seller i.e. Noticee chose to sell minimum quantity (i.e. 100 shares-one lot size) in each of the 41 positive LTP contributing trades repeatedly despite having sufficient number of shares. Noticee also contributed significantly to positive LTP. By her sell orders, Noticee matched the price of prevailing buy orders which were placed at a higher price than the last traded price and thus contributed to increase in scrip price with each of her trades.

- It is alleged based upon the trading pattern of Noticee that she was not acting as a genuine seller and had no bona fide intention to sell because in spite of sufficient buy orders being available in the market, Noticee released very small quantity of shares in each transaction and performed not more than one transaction in a day. In view of the repeated nature (41 nos.) of such trades by Noticee, it is alleged that the Noticee has contributed to increase in price of the scrip. It is further alleged from the above trading pattern that the Noticee was instrumental in marking the price higher and was not merely entering into sale transactions.
- b) In view of the above it is alleged that the Noticee had manipulated the price of the scrip and created a misleading appearance of trading in the scrip by such trades. Hence, it is alleged that Noticee has violated Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) and (e) of PFUTP Regulations.
- c) The Noticee was advised to show cause as to why suitable actions/directions in terms of Sections 11(1), 11(4) and 11B of SEBI Act should not be initiated against her for the alleged violation of the provisions of PFUTP Regulations.

REPLY & HEARING

8. It is noted from material made available on record that the SEBI has not received any

reply in the extant matter from the Noticee till date. In order to proceed further in the matter, vide hearing notice dated October 9, 2018, the Noticee was granted an opportunity of hearing on October 30, 2018 at SEBI Bhavan, Mumbai. Proof of service of hearing notice is on record.

9. Noticee failed to appear for the personal hearing without giving any reason. In view of the facts and circumstances of the case and failure of the Noticee to avail the opportunity of hearing, I am of the view that principles of natural justice have been followed in the matter and I deem it appropriate to decide the matter on the basis of facts / material available on record.

FINDINGS & CONSIDERATIONS

10. Before delving into the merits of the case, I note that the Noticee has neither replied to the SCN nor has attended the hearing. Proof of service of SCN and hearing notice are on record. In this regard, the observations of Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**') in the matter of *Sanjay Kumar Tayal & Others Vs. SEBI* decided on February 11, 2014 is pertinent here. The Hon'ble Tribunal observed as follows:

"...As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..."

11. Without prejudice to the above observation, I proceed to examine the matter on merits. To that effect, I have perused the SCN and other materials available on record. On perusal of the same, the following issues arise for consideration:

- (i) Whether the Noticee has manipulated the price in the scrip of JPIL and created a misleading appearance of trading in the scrip during the period February 14, 2012 to December 18, 2012?
- (ii) If answer to issue no. (i) is in affirmative, whether the Noticee has violated the

provisions of PFUTP Regulations?

- (iii) If answer to issue no. (ii) is in affirmative, what directions, if any should be issued against the Noticee?

Issue No. 1 - *Whether the Noticee has manipulated the price in the scrip of JPIL and created a misleading appearance of trading in the scrip during the period February 14, 2012 to December 18, 2012?*

12. It is noted from the material made available on record that during patch 1 the scrip was in physical rolling with the market lot size being 100 shares. From the records, it is observed that the Noticee has executed 46 sell trades in the scrip for 6,500 shares. Out of the said 46 trades, 41 trades were over the LTP for 4,100 shares. It is noted from the trade details of the Noticee that she has placed sell orders on 41 consecutive trading days (in between there was a gap of couple days) and at a successive higher rate. From the material made available on record, I note that though the Noticee was holding substantial number of shares, the Noticee was releasing miniscule quantity of shares (1 lot) even though there were large pending buy orders over the LTP. The days when the Noticee had executed the said 41 trades, pending buy orders were in the range of 100 shares to 5,000 shares. On the third and fourth day of Noticee's trading, the buy order disclosed volume was 1,100 shares and 900 shares respectively. It is observed that when the Noticee was trading, out of the 62 trading days, on 48 trading days only 1 trade was executed in the scrip and out of the remaining 14 trading days, on 7 trading days 2 trades were executed. This coupled with the fact that the average volume in the scrip during patch- 1 of the investigation period which spanned for 10 months, was 341 shares, would make a prudent investor to sell its shares at the very first opportunity that he/she is coming across. In the given situation, there were considerable buy order quantity pending in the system and that too over the LTP. It is not the case of the Noticee that on multiple occasions she had placed sell orders for more than a lot and the order was not executed. Rather in the instant case, the Noticee's sell orders were placed after buy orders, so she could very well see that there were pending buy orders in the system

for more than a lot (except on 4 instances) but still she chose to execute her sell trades in minimum lot each consecutive day.

13. Furthermore, out of the said 41 over the LTP trades, it is noted that the frequency of putting sell orders over the LTP was on consecutive trading days with a maximum gap of couple of days. The same shows a consistency (both in terms of volume and price) in the way the Noticee was putting orders in the scrip.
14. In the extant matter the Noticee by executing trade in minimum lot on 41 occasions has contributed to ₹ 40.34/- to the positive LTP which is 49.62% of total market positive LTP (highest net LTP contributor during the patch). Further, no justification has been put forth by the Noticee as she has chosen not to furnish a reply or avail of the opportunity of a personal hearing in the extant proceedings.
15. Thus, based on the trading pattern of the Noticee in the scrip, it is held that the same is not genuine but is manipulative in nature.
16. I note that trades at higher than LTP, undoubtedly have a potential of raising the price of the scrip and the same gives a wrong impression about the price of the scrip in the market based on miniscule quantities traded. It must not be forgotten that every trade establishes the price of the scrip and trades executed at higher than LTP results in the price of the scrip going up which may influence the innocent/gullible investors. In cases of market manipulation, admittedly, no direct evidence would be forthcoming / available. Manipulative transactions are to be tested on the conduct of parties and abnormality of practices which defy normal logic and laid down procedures. What is needed, is to prove that in a factual matrix, preponderance of probabilities indicate a fraud. In this regard, the observations of Hon'ble Supreme Court of India in *SEBI Vs. Kishore R Ajmera et.al.* decided on February 23, 2016 wherein the Hon'ble Court while deciding the matter under SEBI Act and PFUTP Regulations where there was no direct evidence forthcoming, observed as follows:

"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..."

17. Taking support of the observations of Hon'ble Apex Court in Kishore R Ajmera matter, I note that in order to determine whether a trade is manipulative in nature or not, the same has to be inferred from the attending circumstances because direct evidence in such cases may not be available. The list of factors to be taken note of, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of attending circumstances an inference will have to be drawn.
18. Noticee's trading during the financial year 2012-2013 was analysed. It is noted that as a seller the Noticee has started trading only from September, 2012 which is when she was trading in the extant scrip and has traded in only two other scrips, one of which was delisted on October 29, 2013. The Noticee had only executed 1 trade in that delisted scrip. As a seller when the Noticee was trading in the scrip of JPIL during the period September, 2012 to December, 2012, she was not trading in any other scrip as a seller. Further her sell order quantity in the other 2 scrips were in the range of 431 shares to 1,800 shares. As a buyer also, Noticee has traded only in 2 scrips in the financial year 2012-2013 and has executed trades only on 2 days in the said 2 scrips.
19. Thus, from the above, it can be gathered that the Noticee was not active in the market during the financial year 2012-2013 and was mainly trading in the scrip of JPIL. From her trading in other scrips as seller, it is noted that the Noticee does not normally put sell orders for miniscule quantity of shares. Noticee's trading behavior in the scrip

under inquiry does not follow her pattern of putting sell orders in other scrips. Hence, the trading behavior of the Noticees in other scrips also does not justify her trading in JPIL which has already been held to be manipulative.

20. In the instant matter Noticee has repeatedly sold shares in minimum lot over the LTP at frequent intervals, even though she had the opportunity to sell more shares on multiple occasions. If the Noticee was a genuine seller then she had the opportunity to sell share in more than 1 lot on multiple occasions but still the Noticee chose not to sell share in more than 1 lot at a time and continued to execute sell trades at successive higher prices by selling just 1 lot at a time on 41 instances. Moreover, Noticee's trading behavior in JPIL was at variance from her trading pattern in other scrips. All the aforesaid, indicates that the Noticee was not a genuine trader in the scrip.

21. In view of the above, the findings that have been gathered from various circumstances for instance overall trades executed in the scrip (number of trades executed on each trading day) including the average volume during patch-1, volume of the trade effected by the Noticee vis-à-vis her holding, the period of persistence in trading in the scrip, the particulars of the buy order in the market and her sell orders, trading behavior in other scrips, the totality of the picture that emerges leads to the conclusion that Noticee by executing the aforesaid sell trades has manipulated the price of the scrip and has created a misleading appearance of trading in the scrip.

Issue No. 2 - *If answer to issue No. (i) is in affirmative, whether the Noticee has violated the provisions of PFUTP Regulations?*

22. Before embarking upon the necessary discussions, I would like to reproduce the relevant provisions of PFUTP Regulations:

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 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) indulging 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;

23. In view of the conclusion arrived at paragraph 21 wherein it has been held that the trades in single lot executed by the Noticee over the LTP in the scrip are manipulative and misleading in nature, it is also held that such trades are fraudulent in nature and would operate as deceit upon any person trading in the extant scrip. Further, as discussed in preceding paragraphs, the Noticee by executing impugned trades in the

scrip has also manipulated the price of the scrip. I therefore, find that the Noticee has violated Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

Issue No. 3 - *If answer to issue Nos. (ii) is in affirmative, what directions, if any should be issued against the Noticee?*

24. Section 11 of SEBI Act casts a duty on the Board to protect the interests of investors in securities and to promote the development of and to regulate the securities market. For achieving such object, it has been authorised to take such measures as it thinks fit. Thus, power to take all measures necessary to discharge its duty under the statute which is a reflection of the objective disclosed in the preamble has been conferred in widest amplitude. Pursuant to the said objective, PFUTP Regulations have been framed. The said Regulations apart from other things aims to preserve and protect the market integrity in order to boost investor confidence in the securities market. By executing manipulative trades, as has been executed by the Noticee in the instant matter, the price discovery system itself is affected. It also has an adverse impact on the fairness, integrity and transparency of the stock market. In view of the same and considering the violations committed by the Noticee (her trading pattern of executing trade in minimum lot on consecutive days including her LTP contribution vis-à-vis total market positive LTP), I find that it becomes necessary for SEBI to issue appropriate directions against the Noticee.

ORDER

25. In the facts and circumstances of the case, I, in exercise of the powers conferred upon me in terms of Section 19 read with Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992, hereby restrain Ms. Sapna Dilip Bombaywala (PAN: AMKPB6719K) from accessing the securities market for a period of six years from the date of this order and further prohibit the Noticee 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 years, from the date of this order. Needless to say, in view of prohibition on sale of securities, it is clarified

that during the period of restraint, the existing securities holding, including units of mutual funds, of the Noticee shall remain frozen.

26. The order shall come into force with immediate effect.

27. A copy of this order shall be served upon all recognised Stock Exchanges, Depositories and the Registrar and Share Transfer Agents to ensure compliance with the above directions.

-Sd-

DATE: February 12, 2019

PLACE: Mumbai

**MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**