QJA/AA/IVD/ID4/23144/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(1), 11 (4) AND 11B (1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 ALONG WITH SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003

In respect of:

Sr. No.	Noticee no.	Noticee Name	PAN
1.	Noticee no. 2	Ms. Divya Agarwal	ACUPG5212E
2.	Noticee no. 3	Ms. Geeta Mishra	AICPM8816G
3.	Noticee no. 5	Mr. Sanjay Kumar	AARPS2632K
4.	Noticee no. 6	Mr. Pranveer Singh	AGIPS4486N
5.	Noticee no. 7	Mr. Praveen Kumar Mishra	AFYPM1852K
6.	Noticee no. 8	Mr. Surendra Kumar Gupta	AAQPG0240E
7.	Noticee no. 123	Mr. Manoj Agarwal	ABBPA2306H
8.	Noticee no. 124	Mr. Praveen Kurele	ADKPK9580A
9.	Noticee no. 125	Mr. Vinay Kumar Agarwal	ACAPA3335N
10.	Noticee no. 126	Mr. Som Prakash Goenka	AAQPG0238C
11.	Noticee no. 127	Mr. Naveen Kurele	AGUPK5822A
12.	Noticee no. 128	Ms. Mridula Agrawal	ACBPA5048D
13.	Noticee no. 129	Mr. Narender Kumar	AARPS2630M
14.	Noticee no. 130	Ms. Manisha Sharma	BATPS3099D
15.	Noticee no. 131	Ms. Seema Kapoor	AERPK1243A
16.	Noticee no. 132	Mr. Sanjeev Sanghi	ABTPS2464C
17.	Noticee no. 133	Mahabir Persad HUF	AAEHM5783L
18.	Noticee no. 134	Mr. Deepak Kumar Agarwal	ABSPA2276K
19.	Noticee no. 135	Mr. Sanjay Kapoor	AGCPK3754D
20.	Noticee no. 136	Ms. Sapna Kapoor	ACQPK3632A
21.	Noticee no. 137	Mr. Sunil Kapoor	AGCPK3755C
22.	Noticee no. 138	Mr. Ashok Kumar Maheshwari	AARPM1903H
23.	Noticee no. 139	Mr. Vivek Karwa	AJLPK0941J
24.	Noticee no. 142	Sanjay Kumar HUF	AAQHS9987L
25.	Noticee no. 143	Arun Kumar HUF	AAIHA4621B
26.	Noticee no. 144	Mr. Raj Kumar	AHAPK7548Q
27.	Noticee no. 145	Mr. Manish Maheshwari	AGRPM7399D
28.	Noticee no. 146	Ms. Mahak Maheshwari	AKKPM2866N
29.	Noticee no. 147	Mr. Sajan Kumar Agarwal	AAKPA5957G
30.	Noticee no. 148	Narender Kumar HUF	AAEHN5960N
31.	Noticee no. 149	Mr. Shubham Agarwal	AYXPA3158N

32.	Noticee no. 150	Mr. Ashish Agarwal	AIBPA5454B

In the matter of Sulabh Engineers & Services Limited

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the scrip of Sulabh Engineers and Services Limited (hereinafter referred to as "SESL/ Sulabh/ Company") 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 150 entities in the scrip of SESL during the period December 01, 2011 to January 07, 2015 (hereinafter referred to as "Investigation Period").

2. Consequent to the investigation, a common Show Cause Notice dated July 31, 2017 (hereinafter referred to as "SCN") was served on all 150 Noticees to show cause as to why suitable directions under Sections 11(4)(b) and 11B of the SEBI Act should not be issued against them for allegedly violating Regulation 3(a),(b),(c),(d), 4(1) and 4(2)(a),(b),(e) of the SEBI (PFUTP) Regulation, 2003.

3. The Whole Time Member of SEBI (hereinafter referred to as "WTM"), vide order dated September 03, 2020, concluded that 102 Noticees had violated Regulation 3 and 4 of the PFUTP Regulations, 2003 and restrained them from accessing the securities market. The order also disposed of the SCN against 47 Noticees for the reasons stated in the said order dated September 03, 2020. The said order also stated that SEBI, may, initiate action, if any, against the Legal Representative of a deceased Noticee.

4. Thereafter, 68 Noticees filed appeals against the aforesaid WTM order before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). The Hon'ble SAT, vide order dated April 29, 2022 allowed one appeal, dismissed 31 appeals and remanded 20 appeals covering 32 Noticees, *inter alia* stating as under:

> *"60. Considering the aforesaid, we are of the opinion that the case of these preferential allottees and the four noticees is required to be considered afresh. The WTM is required to go into the trades executed by these preferential alottees and is required to consider as to whether the trades executed by these preferential allottees and the four noticees are similar to the trades executed by the 31 preferential entities who were exonerated. If the circumstances are similar then in our opinion these preferential allottees are required to be given similar benefit that was given to the 31 preferential allottees. In the event trades have been executed by the preferential allottees which contributed to positive LTP or if it is found that the trades were manipulative and were part of the Orchestrated scheme and created an impact in which case appropriate orders would be passed.*
>
> *61. In view of the aforesaid, Appeal no. 356 of 2021 filed by Santosh Kumar Agarwal is allowed. The impugned order insofar as it relates to this appellant is quashed. Appeal nos. 399 of 2020 filed by Manoj Agarwal, 319 of 2020 filed by Praveen Kurele and Naveen Kurele, 501 of 2020 filed by Vinay Kumar Agarwal, 323 of 2020 filed by Som Prakash Goenka, 477 of 2021 filed by Mridula Agrawal, 400 of 2020Goenka, 477 of 2021 filed by Mridula Agrawal, 400 of 2020. filed by Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF, 435 of 2020 filed by Manisha Sharma, 364 of 2020 filed by Sanjeev Sanghi, 453 of 2020 filed by Deepak Kumar Agarwal, 480 of 2020 filed by Seema Kapoor, Sanjay Kapoor, Sapna Kapoor and Sunil Kapoor, 398 of 2020 filed by Ashok Kumar Maheshwari, Manish Maheshwari and Mahak Maheshwari, 375 of 2020 filed by Vivek Karwa, 131 of 2021 filed by Raj Kumar, 374 of 2020 filed by Sajan Kumar Agarwal, 437 of 2020 filed by Shubham Agarwal and Ashish Agarwal, 324 of 2020 filed by Surendra Kumar Gupta, 401 of 2020 filed by Divya Agarwal, 376 of 2020 filed Geeta Mishra and Praveen Kumar Mishra, 377 of 2020 filed by Sanjay Kumar and 365 of 2020 filed by Pranveer Singh are allowed. The impugned order insofar as it relates to these appellants is quashed. The matter is remitted to the WTM to re-decide the matter insofar as these appellants are concerned in the light of the observation made above after giving them an opportunity of hearing."*

SHOW CAUSE NOTICE, REPLY AND HEARING

5. As stated hereinabove, SCN dated July 31, 2017 was issued wherein the Noticees were alleged to have violated Regulation 3(a),(b),(c),(d), 4(1) and 4(2)(a),(b),(e) of the SEBI (PFUTP) Regulation, 2003. The following documents were enclosed as annexures to the SCN:

Table A

Annexures to SCN	
Annex. No.	**Particulars**
1	Summary of daily price and volume
2	Trade Log and Order Log for the investigation period
3	Basis of connection (include off market transaction and shareholding/ directorship data)
4	Quarterly shareholding pattern of Sulabh for the quarter ending December 2010 as available on BSE website
5A	Information received from the Registrar and Transfer Agent regarding entity wise details of share transfer
5B	Information received from the Registrar and Transfer Agent regarding entity wise details of share transfer
6	Details of both Preferential Allotments made in March 2011 and March 2012
7	BSE email dated June 21, 2016
8	Information received from BSE regarding close out on account of non-delivery of shares
9	Trade details for trades carried out during Patch 1A
10	Trade details for trades amongst the connected entities
11	Copy of minutes of meeting wherein the preferential allotment was approved.
12	Investigation report

6. The SCN has *inter alia* alleged as under:

(a) The investigation conducted by SEBI revealed the following modus operandi used by the Noticees:

(i) The new Promoters of the company i.e., Shri Manoj Kumar Agarwal and Ms. Deepa Mittal acquired 44.30% shares of SESL from the erstwhile Promoters vide a Share Purchase Agreement. Thereafter, the two Acquirers, on February 12, 2011 acquired another 15.83% of paid up capital by way of an Open Offer. In total, the two new Promoters acquired 1,48,850 shares (60.14%) of SESL. Moreover, they also acquired the entire outstanding shares of the company (except for 300 shares) through connected Noticees and made preferential allotment on March 21, 2011 prior to the start of execution of trades in the scrip on December 1, 2011. Further shares were allotted on a preferential basis to 46 Noticees in March, 2012.

(ii) Further, large number of buy orders were observed in the market (period starting with the date of Public Announcement i.e., from July 09, 2010 to November 30, 2011) from wide set of entities due to positive sentiment created with the Share

Purchase Agreement/ Open Offer by the new Promoters and the preferential allotment made by the company. Since the entire free float was held by the connected Noticees, no sellers came forward to sell despite huge buy orders in the scrip. No trade took place from July 09, 2010 until November 30, 2011.

(iii) The investigation period is divided into the following four patches:

Table No. 1

Patch	Particulars	Duration
Patch 1A	Price rise with singular trades	December 01, 2011- August 16, 2012
Patch 1B	Price rise pre-split and beginning of sale of shares by the Preferential Allottees	August 17, 2012 – February 01, 2013
Patch 2	Price rise period post-split in the ratio 10:1	February 04, 2013 –July 22, 2014
Patch 3	Price Fall Patch	July 23, 2014- January 06, 2015

(iv) Of the said four (4) patches, the allegation of price manipulation has been levelled against the Connected Noticees in three (3) patches viz., Patch 1A, 1B and 2.

(v) The connected Noticees traded and sold miniscule quantity on 116 trading days (out of 119 trading days during patch 1A) despite holding large number of shares. But for the sell orders of the connected Noticees, the trades would not have taken place and the price would not have increased as the entire free float was held by connected Noticees.

(vi) Investigation found that the sell trades of miniscule quantities were carried out by connected Noticees with an intention of marking the price higher. Further, the investigation concluded that the connected Noticees wanted to increase the price without increasing the free float, through non-delivery of shares after selling the same on market. Thereafter, the connected Noticees continued to increase the price of the shares by selling shares during patch 1B.

(vii) Investigation has therefore concluded that the company was taken over by the new Promoters with an orchestrated plan of carrying out a scheme of artificially increasing the price of shares of the company and that the company and three of

its Directors (including the two new Promoters) were a part of the orchestrated plan since they benefitted by selling substantial value of shares at the manipulated price.

(b) Investigation revealed that during the investigation period, trading took place on 708 days and the connected Noticees were observed to have traded on 684 days.

(c) Trading during Patch 1A - Price Rise (December 1, 2011-August 16, 2012):

(i) During patch 1A, the connected Noticees entered in 116 trades and all trades except one trade were above LTP. Out of 4,560 shares sold by the 13 connected Noticees only 3,910 shares were delivered and the delivery of the rest 650 shares (13 trades) were closed out after unsuccessful auctioning.

(ii) During the aforesaid period, investigation revealed that the price moved by Rs. 162.65 i.e., from Rs. 11.00 to Rs. 173.65. Of the said price rise, contribution of Rs. 154.2525 i.e., 94.84% of the total positive LTP out of the total rise of Rs. 162.65 was through trades where the connected Noticees were sellers. Investigation concluded that by controlling the supply in the market, selling shares in minimum lot and also defaulting on delivery of shares on several instances, the price of the share of the company was artificially increased by the connected Noticees.

(d) Trading during Patch 1B – Price rise (August 17, 2012-February 1, 2013):

(i) Investigation revealed that the price of the scrip increased from Rs. 173.65 to Rs. 494.00 i.e, the price increased by Rs. 320.35. Investigation found that during this patch, out of 115 days on which the scrip was traded, 21 connected Noticees sold shares on 89 days. The connected Noticees together contributed Rs. 189.45 to the net price rise of Rs. 320.35 (i.e., 59.14%) during this patch and Rs. 284.85 of the gross positive LTP variation of Rs. 662.05 (i.e., 43.03%). The contribution of the connected Noticees accounts for more than 50% of market net price movement and therefore it was concluded that the sell trades of the Noticees resulted in manipulation in the price of the scrip and misleading appearance of trading in the scrip.

(ii) Investigation found that 13 connected Noticees contributed Rs. 83.80 to Net LTP on the buy side (out of total Rs. 189.45 contributed by the 21 connected Noticees on the sell side and Rs. 320.35 of market LTP) and Rs. 112.00 to gross positive LTP (out of total Rs. 208.75 contributed by the 21 connected Noticees on the sell side and a market net LTP of Rs. 662.05). The 13 noticees were found to have predominantly traded with the 21 connected Noticees and have contributed significantly to LTP (both Gross and Net).

(iii) Further, based on the significant contribution to Net LTP through trades amongst themselves (21 Sellers and 13 buyers) of Rs. 83.80, investigation concluded that these connected Noticees (21+13-1, common entity=33) artificially increased the price of the scrip.

(e) Patch 2 – Price rise period post-split in the ratio 10:1 (February 4, 2013- July 22, 2014):

(i) During the period February 04, 2013 and July 22, 2014, the price of the scrip increased from Rs. 49.40 (494 adjusted for 10:1 split) to Rs. 243.00 i.e, the net price increase was Rs. 193.60.

(ii) Investigation revealed that on account of trading during patches 1A and 1B, the connected Noticees sold a net of 1,39,958 shares and therefore 13,95,580 shares (i.e., factoring sub-division of shares) were available with other shareholders (other than the connected Noticees). In contrast to the trading pattern of the connected Noticees during patches 1A and 1B where the connected Noticees predominantly sold shares (on net basis), investigation found that they were net buyers during patch 2 and were observed to be increasing the price of the share by continuously buying shares at a higher price.

(iii) During patch 2, the market Net LTP was Rs. 193.60 which can be divided into two parts i.e., contribution to net LTP by the 83 connected Noticees of Rs. 636.75 and the negative contribution of Rs. 443.15 by other entities. Investigation concluded that since the market price is a function of net sum of all price variations (both positive and negative), the 83 connected Noticees had contributed positively to net LTP significantly enough to not only negate the downward drag of Rs. 443.15 on the price of the scrip by the other entities in

the market but also sufficient to increase the price of the scrip from Rs. 49.40 to Rs. 243.00. Investigation concluded that considering the fundamentals of SESL which were not supporting the price of the scrip and the trading pattern of trading at prices higher than the LTP, the 83 connected Noticees traded with an intend to increase the price of the scrip and also resulted in creation/ depiction of artificial demand and interest.

(f) Investigation revealed that Promoters/ Directors of SESL along with other connected Noticees and the Noticees who indulged in manipulation in the scrip were also observed to have benefitted by selling the shares (net sale value was ` 50 lakh or more) between August 17, 2012 and January 06, 2015.

(g) In addition to the above, a total of 28 Noticees were also observed to have benefitted by selling shares of significant value and were connected to Noticees that indulged in manipulation/ other connected entities. Their trading also resulted in false and misleading appearance of trading in the securities market and an act/ practice which operated as a fraud or deceit in the market.

(h) Based on the above observations, it is alleged that the entire scheme of acquiring SESL by the new Promoters, ensuring least free float of shares prior to the resumption of trading at BSE and using the same for manipulating the price such that the price of the scrip increases multi-fold and subsequent sale of shares to benefit out of the manipulated price was carried out by the new Promoters and the connected Noticees in connivance with each other. Further, it is alleged that the trading carried out by these connected Noticees on the exchange platform created false and misleading appearance of trading in the securities market and the same acted as an act/ practice or a course of business which operated as a fraud or deceit in the market.

(i) Therefore, it is alleged that Noticees have violated the relevant provisions of PFUTP Regulations. The Noticees were, therefore, called upon to show cause as to why suitable directions under Sections 11(4)(b) and 11B of the SEBI Act should not be issued against them.

7. At this stage, it is pertinent to note the relevant provisions alleged to have been violated by the Noticees, as they stood at the time of issuance of the SCN:

PFUTP Regulations

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.

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;
(b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
...
...
...
(e) any act or omission amounting to manipulation of the price of a security;

8. After perusing the SCN, oral submissions, written submissions and other materials available on record, the Hon'ble Whole Time Member (hereinafter referred to as "WTM") vide order dated September 03, 2020 framed the following issues for consideration and made the following findings:

Table No. 2

Issue No.	***Issue and Finding***
1.	***Whether 150 Noticees in the present matter can be held to be connected / part of a group for the purpose of their respective impugned trades in the scrip during the investigation period?***

Finding: *Based on the table spanning across pages 36-76, the WTM classified the Noticees as under:*

Group	***Particulars***	***Finding***
A	*Connected to the company through its PDs and being preferential allottees – Noticee Nos. 1, 2, 4 – 16, 31, 32, 83, 123 – 127, 129, 131 – 139, 142 – 148.*	*Noticees, who are directly or indirectly connected to the company viz., Noticee Nos. mentioned as Group A, Group B and Group C, needs to be adjudicated for their part played in the alleged scheme and are collectively referred to as "Connected Noticees / Entities".*
B	*Connected to Mr. Subodh Agarwal and hence connected to the company – Noticee Nos. 3, 17 - 29, 34, 37- 40, 41, 42, 43, 46, 47, 53, 55, 56, 65, 71, 78, 88, 97, 105, 107, 108, 109, 113, 116, 119, 122, 128, 130, 140, 141, 149, 150.*	
C	*Connected with Anil Khemka and hence connected to the company through Subodh Agarwal – 45, 48 – 51, 57, 67, 73, 74, 76, 82, 86, 92, 94, 103, 110, 111.*	
D	*Connected with other Noticees mentioned herein but are not connected with either company or PDs or Subodh Agarwal or Anil Khemka – 52, 54, 59, 60, 62, 63, 64, 68, 69, 70, 72, 79, 81, 84, 87, 90, 93, 95, 96, 100, 101, 118.*	*Mere trading in the scrip during the investigation period, devoid of any connection with the company, is not adequate to sustain the allegation.* *Thus, the conduct of Group D Noticees does not require further examination in the current quasi – judicial proceedings.*
E	*No connection with either company or PDs or Subodh Agarwal or Anil Khemka - Noticee Nos. 30, 33, 35, 36, 44, 58, 61, 75, 77, 80, 85, 89, 91, 98, 99, 102, 104, 106, 112, 114, 115, 117, 120, 121.*	*The rationale applied for Group D Noticees is also applicable to Group E Noticees.*

2.	***Whether total number of shares, except 300 shares of Sulabh outstanding prior to the first preferential allotment in March, 2011, were acquired by the Promoter Directors (hereinafter referred to as "PD") and the Connected Noticees / Entities?***

	Finding: *Mr. Rakesh Kumar Verma, Rakesh Kumar Verma (HUF), Ms. Renu Verma, Ms. Abha Dwevedi, Mr. Ram Pher Dwevedi HUF, Mr. Ram Lubhaiya Vohra, Mr. Durga Prasad, Mr. Randeep Singh, Mr. Sandeep Singh, Mr. Trilok Singh and Ms. Sapna Agarwal have been given a benefit of doubt that they are not connected with the company and the new Promoters in any manner. Hence, it cannot be said that the aforesaid 11 entities out of 14 entities were buying shares with a common intention of consolidating the shareholding and ensuring that there is no free-float in the market.* *From the material available on record it is observed that the PDs had acquired 1,48,850 shares (60.14%) of Sulabh. Further, the connected entities to the PDs, namely, Samtal Financial System Limited, Anant Fin Consultancy Pvt. Ltd., Rajendra Kaur, Paramjeet Singh and Dilip Kumar Agarwal have together acquired in physical form 61,600 shares (24.97%). Thus, the PDs along with the aforesaid Connected Entities had acquired 85.11% of the total share capital of Sulabh. It is, therefore, held that 2,10,450 shares out of total 2,47,500 shares outstanding apart from the shares allotted on a preferential basis, were controlled by the aforesaid connected entities. Thus, it can be held that significant number of shares (85%) were under the control of the PDs and its related entities.*
3.	***Whether the Connected Noticees including the PDs have manipulated the price of the scrip during the investigation period?*** ***Finding:*** *In view of the findings that have been gathered from various circumstances for instance connection amongst the Noticees, mode of acquisition of shares, source of delivery of shares, failure to deliver shares post trading, volume of the trade effected, the period of persistence in trading in the scrip, frequency of trading by the Connected Noticees, trading history of the scrip, the particulars of the buy and sell orders, the totality of the picture that emerges based on preponderance of probabilities leads to the following conclusion:* ***Patch 1A:*** *The 13 Connected Noticees viz., Mr. Raj Kumar Agarwal, Anant Fin Consultancy Pvt. Ltd., Mr. Surendra Kumar Agarwal, Ms. Renu Agarwal, Mr. Deepak Kumar Agarwal, Subodh Agarwal HUF, Ms. Kavita Awasthi, Mr. Rishi Kant Awasthi, Ms. Rita Jain, Mr. Akhilesh Kumar Agnihotri, Mr. Jeetendra Kumar Agnihotri, Mr. Ankit Jain and Sanjai Jain HUF, as alleged in the SCN have manipulated the price of the scrip in patch 1A and have also created a false and misleading appearance of trading in the scrip. Further, considering Ms. Kavita Awasthi, Mr. Akhilesh Kumar Agnihotri, Ms. Rita Jain, Ms. Renu Agarwal, Mr. Raj Kumar Agarwal and Mr. Rishi Kant Awasthi have failed to deliver shares after selling the same on market, it is held that entered into transaction in securities without intention of performing it/ without intention of change in ownership of such security.*

	Patch 1B: *The 28 Connected Noticees (one common Noticee i.e. Mr. Rajesh Bhiani) (17 Sellers viz., Ms. Divya Agarwal, Mr. Pranveer Singh, Abhay Jain HUF, Ms. Geeta Mishra, Mr. Deepak Kumar Sarraf, Mr. Amit Jain, Subodh Agarwal HUF, Mr. Vijay Shree Bihani, Mr. Manish Kumar Garg, Mr. Praveen Kumar Mishra, Shubhang Exports Ltd., Mr. Raj Kumar Agarwal, Mr. Sanjay Kumar,* ***Mr. Rajesh Bhiani****, Mr. Param Jeet Singh, Ms. Reena Jain and Ms. Usha Jain), (12 Buyers viz., Mr. Subodh Agarwal,* ***Mr. Rajesh Bhiani****, SKM Travels Pvt Ltd, Sanklap Vincom Pvt Ltd, Shrishti E Systems Pvt Ltd, KPK Fin Consultancy Pvt Ltd, Shreya Stocks and Shares Pvt Ltd, Mr. Akhilesh Kumar Agnihotri, Anant Fin Consultancy Pvt Ltd, Raghuvansh Agrofarms Ltd, Mr. Jeetendra Kumar Agnihotri and Signet Vinimay Pvt Ltd.*) *have manipulated the price of the scrip by contributing to the LTP in Patch 1B and have also created a false and misleading appearance of trading in the scrip.* ***Patch 2:*** *The 40 Connected Noticees viz., Apex Commotrade Pvt Ltd, Spice Merchants Pvt Ltd, Mr. Ankit Jain, Aviral Industries Ltd, Signet Vinimay Pvt Ltd, Bakliwal Vyapaar Pvt Ltd, Kamta Prasad Pandey, Runicha Merchants Pvt Ltd, Sanklap Vincom P Ltd, Vijay Shree Bihani, Jasmine Commodities Pvt Ltd., Winall Vinimay Pvt Ltd, Rita Jain, Gagandeep Construction Company Pvt Ltd, Mahamani Tradelink Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd, Mr. Arunavo Mukherjee, Vasundhara Capital & Securities Ltd., Arise Dealcom Pvt Ltd, Mr. Santosh Kumar Agarwal, Dynamic Credit Finance Pvt Ltd., Rishabh Agarwal, Swapanloke Steels Pvt Ltd., Pranveer Singh, SKM Travels Pvt Ltd., Surendra Kumar Gupta, Pawan Kumari Agarwal, Scope Vyapar Pvt Ltd, Lemon Vincom Pvt Ltd., Litmus Investments Ltd., Lark Commercial Pvt Ltd, Ms. Girija Pandey, Devshyam Stock Broking Pvt Ltd., Sanmati Goods Pvt Ltd., Jeetendra Kumar Agnihotri, Memori Vinimay Pvt Ltd., Cube Trafin Pvt Ltd., Mr. Subodh Agarwal, Lark Merchants Pvt Ltd, and Mr. Raj Vardhan Agarwal have manipulated the price of the scrip by contributing to the LTP in patch 2 by their repeated buy trades and have also created a false and misleading appearance of trading in the scrip.*
4.	***Who are the Connected Noticees who have benefitted from the manipulation in the price of the scrip during the investigation period?*** *Finding: It is observed from the SCN that the first 2 set of Connected Noticees (PDs, Promoter and Non-Executive Director and other Promoters {Sr. no. 1 to 7} & Price Manipulators {Sr. no. 8 to 15}) had a net sale value of ` 50 lakh or more during the aforesaid period and the said Connected Noticees are tabulated below:*

Sr. No.	***Name of the Noticee***
1.	*Manoj Kumar Agarwal (Promoter and Director)*
2.	*Santosh Kumar Agarwal (Promoter and Director)*
3.	*Manish Agarwal (Promoter)*
4.	*Krishana Agarwal (Promoter)*
5.	*Ruchi Agarwal (Promoter)*
6.	*Sandhya Agarwal (Promoter)*

7.	*Deepa Mittal (PD) (Promoter and Director)*
8.	*Surendra Kumar Gupta (Preferential Allotee)*
9.	*Divya Agarwal (Preferential Allotee)*
10.	*Praveen Kumar Mishra (Preferential Allotee)*
11.	*Geeta Mishra (Preferential Allotee)*
12.	*Sanjay Kumar (Preferential Allotee)*
13.	*Manish Kumar Garg (Preferential Allotee)*
14.	*Subodh Agarwal (Connected to Promoter and Director, Mr. Manoj Kumar Agarwal)*
15.	*Pranveer Singh (Preferential Allotee)*

Further, the 3rd set of Connected Noticees (Preferential Allotees) who benefitted

Sr. No.	***Name of the Noticee***
1.	*Manoj Agarwal*
2.	*Praveen Kurele*
3.	*Vinay Kumar Agarwal*
4.	*Som Prakash Goenka*
5.	*Naveen Kurele*
6.	*Mridula Agrawal*
7.	*Narender Kumar*
8.	*Manisha Sharma*
9.	*Seema Kapoor*
10.	*Sanjeev Sanghi*
11.	*Mahabir Pershad Huf*
12.	*Deepak Kumar Agarwal*
13.	*Sanjay Kapoor*
14.	*Sapna Kapoor*
15.	*Sunil Kapoor*
16.	*Ashok Kumar Maheshwari*
17.	*Vivek Karwa*
18.	*Roopchandra Kumar*
19.	*Sabreen*
20.	*Sanjay Kumar Huf*
21.	*Arun Kumar Huf*
22.	*Raj Kumar*
23.	*Manish Maheshwari*
24.	*Mahak Maheshwari*
25.	*Sajan Kumar Agarwal*
26.	*Narender Kumar Huf*
27.	*Shubham Agarwal*
28.	*Ashish Agarwal*

The 7 Connected Noticees mentioned in the first set and 28 Connected Noticees mentioned in the third set, by executing trades in the scrip, have played their

	respective part in the entire scheme which has resulted in false and misleading appearance of trading in the scrip.
5.	***Whether company and its Directors were part of the scheme to manipulate the price of the scrip to benefit the preferential allottees?*** ***Finding:*** *Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal were part of the scheme to manipulate the price of the scrip to benefit the preferential allottees and other Connected Noticees including themselves.*
6.	***Whether the Connected Noticees including the company and its Directors have violated the provisions of PFUTP Regulations?*** ***Finding:*** *That 102 Connected Noticees as mentioned in the table therein (page 140 -143) have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.*
7.	***If answer to issue No. (6) is in affirmative, what directions, if any should be issued against the Connected Noticees?*** ***Finding:*** *An appropriate period of debarment for Noticees depending on the nature of their acts, contribution to the scheme and benefit from the scheme, has been incorporated in operative portion of the order.*

9. Being aggrieved by the said order dated September 03, 2020, 52 appeals were filed by 68 Noticees before the Hon'ble SAT. The Tribunal divided the appeals into three sets namely, first set were those appellants who are promoter directors, non-executive directors and other promoters including the Company, the second set of appellants are the price manipulators and noticees connected to the Company or Mr. Subodh Agarwal and the third set of appellants were the preferential allottees including Noticee nos. 128, 130, 140 and 141.

10. With respect to the appeals filed by first set of appellants i.e. promoter directors, non-executive directors and other promoters including the Company i.e. Mr. Manoj Kumar Agarwal, Ms. Deepa Mittal, Mr. Santosh Kumar Agarwal (father of Mr. Manoj Kumar Agarwal), Ms. Krishna Agarwal, Ms. Sandhya Agarwal, Mr. Manish Agarwal, and Ms. Ruchi Agarwal, the Hon'ble SAT vide order dated April 29, 2022 observed as under:

> *"32. Having heard the learned counsel for the parties, and having perused the impugned order and other documents that has been brought on record one finds that the new promoters, namely, Manoj Kumar Agarwal and Deepa Mittal had orchestrated a plan and carried out a scheme by artificially increasing the price of the shares of the Company along with 51 other connected noticees. Admittedly,*

Manoj Kumar Agarwal and Deepa Mittal were the whole time directors of the Company and, therefore, they had knowledge of the financial position of the Company. It has come on record that the financial position of the Company was very weak. In the financial year 2009 the profit was only 0.09 crores, in 2010 it was 0.05 crores, in 2011 it was 0.01 crores, in 2012 it was 0.15 crores and in 2013 it was 0.43 crores and in 2014 it was 0.37 crores. It is clear that the profits of the Company had reduced significantly from financial year 2008-2009 to 2010- 2011 and in subsequent financial years it had a negligible profit. Further, huge unsecured loans and advances aggregating Rs. 16.72 crores for financial year 2013-2014 and Rs. 17.13 crores for financial year 2014-2015 were seen. Further, the admitted position is, that even though the Company was a listed Company its shares were never traded on the Stock Exchange platform except for a single trade on October 09, 2009. The trading in the scrip was observed from December 01, 2011 onwards after the scheme was hatched. We also find that there was no major corporate announcement during the investigation period and, thus, in our opinion, the Company had no strong fundamentals. Thus, the new promoters Manoj Agarwal and Deepa Mittal knew about the 52 weak fundamentals of the Company when they acquired 60.14% of the total shareholding of the Company in February 2011 along with the connected entities 24.97% was acquired and, therefore, 85% of the shareholding was cornered. Considering this fact, the issuance of preferential allotments in March 2011, inspite of weak fundamentals, does raise an eyebrow though it had brought in a cash flow of Rs. 19.60 crore in the Company. Further, there is nothing on record to show that the fundamentals of the Company had changed subsequently when the second preferential allotment was issued. Thus, knowing fully well that the financial position of the Company was weak and the shares were hardly being traded the issuance of the preferential allotments was with the tacit understanding between the Company its promoters directors and connected entities to manipulate the price of the scrip of the Company for the purpose of benefiting everyone, namely, the promoters, whole time directors and connected noticees.

33. We also find that there is a direct connection of the promoter directors of the Company Manoj Kumar Agarwal, Deepa Mittal with Subodh Agarwal who along with the connected entities have played a significant role in the entire scheme. The record suggests that Subodh Agarwal was associated with Manoj Kumar Agarwal and Deepa Mittal since 2004/2007 as they were subscribers to the memorandum of association of Samtal Financial Systems Private Limited…. In fact, in our opinion, there is a direct close connection between the new promoters and Subodh Agarwal. The historic connection in fact discloses more closeness. Further, various noticees who are connected with Subodh Agarwal are connected to the Company and its promoter directors. We are of the opinion that Subodh Agarwal was part of the scheme orchestrated by the promoter directors of the Company.

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35. We also find that the acquisition of 17.64% of the shares by the two connected entities Samtal Financial System Pvt. Ltd. and Anant Fin Consultancy Pvt. Ltd. took place on March 21, 2011 and May 31, 2011 and was not spread over a period

of time. The acquisition made on March 21, 2011 was around the same time when the first preferential allotment was made. This is another indication to show that the promoter directors and the connected entities were cornering the entire free float of the shares of the Company so that they could control the buying and selling of the shares. Evidence has come indicating that inspite of large buy orders pending during Patch 1-A and Patch 1-B no sale were being made and only miniscule shares were being sold so that the price of the shares could rise since it was found that the shares that was being sold was above the LTP. We also find that during Patch 1-A, 4560 shares were sold by 13 noticees and whereas only 3910 shares were delivered, the balance 650 shares were not delivered. The selling of these miniscule shares above LTP raised the price from Rs. 11/- to Rs. 173.65. Further, we find 55 that these 3910 shares which were sold by the connected noticees were traced back to Anant Fin Consultancy Pvt. Ltd. and, therefore, the scheme got exposed to the extent that the Company wanted to keep the free float of the shares between the promoter directors and its connected noticees so that they could control the market to increase the price of the shares. This view is based on the finding that the connected noticees were predominantly the sellers contributing 85.04% as sellers and the liquidity of the shares in the market was meager. Further, we find that in Patch 1-B the 13 noticees who were sellers in Patch 1-A became the buyers in Patch 1-B. Thus, we are of the opinion, that the promoter directors and other connected noticees indulged in manipulation in the scrip and benefited by selling the shares in the subsequent patch period. We find that the entire scheme of acquiring the shares by the new promoters and ensuring this free float of shares prior to the resumption of trading on the Stock Exchange platform and using the same for manipulating the price so that the price of the scrip increased multifold which resulted in subsequent sale of shares to benefit from the manipulated price was carried out by the new promoters and connected noticees in connivance with each other. Such scheme was totally fraudulent and violative of Regulation 3 and 4 of PFUTP Regulations.

36. Further, we find that the appellants in the 1st set, have reaped huge profit and this by itself indicates a strong presumption of them being aware of the manipulation in the scrip of the shares.

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39. In view of the aforesaid, we are of the opinion that the appellants in the first set were guilty of violation of Regulation 3 and 4 of the PFUTP Regulations except the appellant Santosh Kumar Agarwal."

11. The appeals filed by the second set of appellants i.e. price manipulators and noticees connected to the Company or Mr. Subodh Agarwal viz., Apex Commotrade Pvt. Ltd., Aviral Industries Ltd., Bakliwal Vyapaar Private Limited, Jasmine Commodities Pvt. Ltd., KPK Fin Consultancy Pvt. Ltd., Litmus Investments Ltd., Mr. Akhilesh Kumar Agnihotri, Mr. Jeetendra Kumar Agnihotri, Mr. Kamta Prasad Pandey, Mr. Paramjeet Singh, Mr. Raj

Kumar Agarwal, Mr. Rishi Kant Awasthi, Mr. Subodh Agarwal, Ms. Kavita Awasthi, Ms. Renu Agarwal, Raghuvansh Agrofarms Ltd., Runicha Merchants Pvt. Ltd., Sankalp Vincom Private Limited, Scope Vyapar Pvt. Ltd. (Now known as Class Commercial Pvt. Ltd.), Shrishti E Systems Pvt. Ltd., Signet Vinimay Private Limited, SKM Travels Pvt. Ltd (Now known as Bitter Commercial Private Ltd.), Spice Merchants Private Limited, Subodh Agarwal (HUF), Sulabh Engineers and Services Ltd., Vasundhara Capital & Securities Ltd. and Winall Vinimay Pvt. Ltd. were dismissed by the Hon'ble SAT on the following grounds:

> *"45. All the aforesaid noticees were found to have indulged in trading in the scrip of the Company which resulted in the increase of the price. We are in complete agreement with the findings arrived at by the WTM and see no distinguishable factors to come to a different conclusion. We may also point out that when the pattern of trading was similar by all the notices, then individual transactions, howsoever miniscule it may be, loses its relevance, in which case, trading pattern of the appellants as a group is required to be considered and that is what the WTM has endeavored and has given a finding that the trades executed not only raised the price but the noticees have also benefited tremendously by making huge profits through this manipulative scheme. We are in complete agreement with the findings given by WTM and do not find any reason to differ on this.*
>
> *46. The WTM has gone into details indicating that some of the appellants as sellers traded amongst themselves and increased the price of the scrip off market. Shares received by some of the appellants were traded during Patch – 1A were given by Anant Fin Consultancy Pvt. Ltd. which is one of the noticee connected to Subodh Agarwal. Evidence has been depicted in paragraph 47 of the impugned order that the off market shares delivered to these appellants were traced back this noticee Anant Fin Consultancy Pvt. Ltd. and consequently the free float of shares remained with the promoters and its connected entities and, at the same time, it substantially increased the price of the scrip. It was also found that some of the appellants, as buyers, were buying above the last traded price. Normally a buyer would always like to buy a share at a lower price. In the instant case, the financials of the Company was not such which would lead an investor to purchase the shares at a higher price. The WTM concluded that the purchasing of the shares by some of these noticees was only with the intention to increase the price of the scrip.*
>
> *47. We also find that no dispute has been raised with regard to the finding given by the WTM regarding the connection of the appellants with Subodh Agarwal or with certain companies who were directly connected to Subodh Agarwal or with the Company. The only ground urged is that the connection given in the show cause notice was different to the connection drawn in the impugned order by the WTM which in our opinion is irrelevant since the connection drawn by the WTM has not been disputed.*

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> ...
> ...
> *52. We are satisfied that connected noticees devised a scheme so as to manipulate the price of the scrip which was a dormant scrip. The scheme involved allotment of shares to connected entities, announcing a stock split, pumping up the share price artificially and eventually providing an exit to the other connected entities so that huge profits could be earned."*

12. The appeal of Mr. Santosh Kumar Agarwal, the Non-Executive Director of the company was allowed and the order dated September 03, 2020 insofar as it related to Mr. Santosh Kumar Agarwal was quashed. The appeals preferred by the Noticees i.e. the the preferential allottees before me were also allowed and the matter was remitted back for re-deciding the issue of the liability of the Noticees/ preferential allottees in the light of the observations made by the Hon'ble SAT.

13. An opportunity of personal hearing was granted to the all the Noticees on August 04, 2022 in compliance with the principles of natural justice by way of an email dated July 12, 2022 to Authorized representatives (ARs) of the Noticees. Noticee nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150 are represented by their ARs, Advocates, Shri S.K. Jain and Shri Vikas Bengani. Advocates, Shri Neville Lashkari and Shri Prakash Shah are ARs for Noticee nos. 8 and 126. Noticee no. 144 is being represented by Advocate, Shri Kunal Parekh of Dua Associates. Further, due to office exigencies, the hearing scheduled was adjourned and the same was communicated to ARs of the Noticees vide email dated August 03, 2022. Thereafter, an opportunity of personal hearing was granted on September 09, 2022 which was again adjourned due to office exigencies. Hearing in the matter was scheduled on September 28, 2022 which was communicated vide email dated September 21, 2022. The ARs of Noticee nos. 8, 126 and 144 appeared before me and submitted as under:

(a) The allegations made against the Noticees were on the basis of sale of shares and booking profits.
(b) The Noticees had traded for a very short period and for miniscule volume.
(c) They referred to the para 60 of the order of the Hon'ble SAT wherein it was also recorded that similarly placed preferential allottees as that of Noticees were not charged by SEBI. Certain decisions of SEBI where Noticees were not charged for similar violations were also referred.

(d) They denied the allegations made against the Noticees and stated that the SCN ought to be discharged against the Noticees.

14. At the request of AR for Noticee nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150, the hearing scheduled on September 28, 2022 was adjourned to October 04, 2022. However, as per the request of the AR, the hearing for the aforesaid Noticees was scheduled on October 14, 2022. During the hearing, the ARs made oral and written submissions dated October 14, 2022, wherein they stated that aforesaid matter is remanded back by the Hon'ble SAT for the consideration of the Whole Time Member of SEBI only and cannot be adjudicated by the CGM, which is illegal and unsustainable. Vide email dated October 31, 2022, the ARs were informed that their submissions have been taken on record and they were informed to appear for personal hearing on November 11, 2022 and make submissions based on the merits of the case, as alleged in the show cause notice read with order of the Hon'ble SAT dated April 29, 2022. During the hearing scheduled on November 11, 2022, the ARs made detailed submissions on lines of the common submissions dated August 02, 2022 and individual written submissions made by all the Noticees hereinabove and was granted time until November 25, 2022 to file any post hearing submissions. The AR vide email dated January 25, 2023 received by SEBI at 01:11 AM made additional submissions citing other urgent work and ill health as reasons for delay. In the interest of justice, I have taken the said additional submissions on record and discussed them in the relevant paragraphs.

CONSIDERATION OF ISSUES

15. Before proceeding further, it is pertinent to deal with the preliminary objection raised by the AR of Noticee nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150. Vide order dated April 29, 2022, the Hon'ble SAT remanded the matter to re-decide the same in light of the observations made by it. The AR of the aforesaid Noticees has vide email dated September 08, 2022 while relying on paragraph 61 of the order dated April 29, 2022 stated that the matter has been remitted to the WTM to re-decide the issue raised therein, and requested for a copy of the order by which the undersigned has been appointed to adjudicate the matter. Vide email dated September 15, 2022, a copy of the Securities and Exchange

Board of India (Delegation of Statutory and Financial Powers) Order, 2019 (hereinafter referred to as "Delegation of Powers Order") along with copy of email allocating the present matter to the undersigned was forwarded to the Noticee. The AR of the aforesaid Noticees vide letter dated October 14, 2022 reiterated that as the matter was remanded by the Hon'ble SAT to the WTM of SEBI and therefore, cannot be adjudicated by a Chief General Manager of SEBI. In this regard, it was submitted that SEBI is a body corporate and may exercise its essential functions only through its Members. It was further contended that any exercise of adjudicatory power, is an exercise of an essential, non – delegatable power, and the Chief General Manager of SEBI has no power under law to substitute the Whole Time Member to adjudicate the Noticees' rights, and no such power is capable of being delegated, devolved, vested in, or outsourced.

16. In this regard, I note that in terms of Section 19 of the SEBI Act, 1992, the Board/ SEBI is empowered to delegate such of its powers and functions by general or special Order in writing, to any member, officer of the Board or any other person. Accordingly, in exercise of the said powers, SEBI has delegated its statutory, financial powers and functions to such members or officers of the Board as specified in the Securities and Exchange Board of India (Delegation of Statutory and Financial Powers) Order, 2019 (hereinafter referred to as "Delegation of Powers Order"). Vide the aforesaid Delegation of Powers Order, the Board/ SEBI has since long, already delegated its quasi – judicial functions to individual whole – time members of the Board/ SEBI. I note that vide an amendment made to the Delegation of Powers Order with effect from July 25, 2022, the quasi-judicial functions of the Board under sections 11 (1), 11 (4), 11 (4A), 11B (2), 11D or any regulations framed by SEBI (where no interim, confirmatory or revocation order is envisaged in the matter) has been delegated to the officials of the Board/ SEBI holding the office of Chief General Managers (CGMs) and Executive Directors (EDs) of the Board/ SEBI, who are senior officials of SEBI. The said Delegation of Powers Order is also available on the website of SEBI.

17. I also note that it is judicially settled position that when a statute has express provision for delegation, any delegation that is made in exercise of such powers is wholly within jurisdiction. The Parliament in its wisdom has under Section 19 of the SEBI Act provided

that the Board/ SEBI (established under section 3 of the SEBI Act) can delegate such of its powers and functions *inter alia* to an Officer of the Board.[1]

18. The Hon'ble Supreme Court in ***Sahni Silk Mills (P) Ltd* v. *E.S.I. Corporation***[2] in the context of delegation of powers observed as under:

> *"5. The courts are normally rigorous in requiring the power to be exercised by the persons or the bodies authorised by the statutes. It is essential that the delegated power should be exercised by the authority upon whom it is conferred and by no one else. At the same time, in the present administrative set-up extreme judicial aversion to delegation cannot be carried to an extreme. A public authority is at liberty to employ agents to exercise its powers. That is why in many statutes, delegation is authorised either expressly or impliedly. Due to the enormous rise in the nature of the activities to be handled by statutory authorities, the maxim delegatus non potest delegare is not being applied specially when there is question of exercise of administrative discretionary power.*
> *6. By now it is almost settled that the legislature can permit any statutory authority to delegate its power to any other authority, of course, after the policy has been indicated in the statute itself within the framework of which such delegatee is to exercise the power."*

19. It is also pertinent to note the observations of the Hon'ble Supreme Court in ***The Barium Chemicals Ltd. and Anr.* v. *The Company Law Board And Ors.***[3]:

> "*Bearing in mind that the maxim delegatus non protest delegate sets out what is merely a rule of construction, sub-delegation can be sustained if permitted by express provision or by necessary implication."*

20. I note that the Hon'ble Madras High Court in its judgment dated August 25, 2006 in ***Coimbatore Stock Exchange v. SEBI***[4] has observed as under:

> *"52. In view of the ruling of the Supreme Court in the case reported in AIR 1967 SC 295*[5] *(supra), when the provisions of the statutory enactment did not provide for a further delegation, the same could not be done by way of statutory rules. But, in the case before me, the functions of the Central Government under SCRA by delegation became the function of the Board under Section 11(2)(i) and when once it became the function of the Board, the statute itself authorizes the delegation of such function of the Board under Section 19 to the Chairman or its officers."*

[1] The only exception of the rule is the delegation in respect of powers under Section 29 of the SEBI Act (the rule making power of the Central Government under the SEBI Act).
[2] 1994 SCC (5) 346.
[3] 1967 AIR SC 295.
[4] W.P. No. 11557 of 2006.
[5] The Barium Chemicals Ltd. and Anr. v. The Company Law Board And Ors.

21. Furthermore, I note that the Hon'ble Supreme Court in ***Hitendra Vishnu Thakur* v. *State of Maharashtra & Ors.***[6] has *inter alia* observed that law relating to forum is procedural in nature and that every litigant has a vested right in substantive law but no such right exists in procedural law. I, therefore, note that SEBI is empowered under Section 19 of the SEBI Act to delegate such of its powers and functions to its 'Officer' which is an express category or class of person mentioned in the Section 19 itself and hence, when delegation has been made strictly in terms of Section 19 of the SEBI Act, the preliminary objection of the Noticees to the exercise of powers and issuance of directions by the undersigned under sections 11 (1), 11 (4), 11 (4A), 11B (2), 11D of the SEBI Act is not maintainable.

22. The issue before me is whether the Noticees have violated Regulations 3(a), (b), (c), (d) and Regulation 4 (1), 4 (2) (a), (b) and (e) of the PFUTP Regulations. I note from the SCN that as on December 31, 2010, the company had a total outstanding paid-up share capital of Rs. 24,75,000 i.e., 2,47,500 shares of Rs. 10 each. Thereafter, the two preferential allotments made by the Company resulted in an inflow of Rs. 5.60 Crore in March 2011 (**28 Lakh shares** of Rs. 10 each at a premium of Rs. 10) and Rs. 14.00 Crore in March 2012 (**70 Lakh shares** of Rs. 10 each at a premium of Rs. 10) respectively.

23. As the Noticees in Group D and Group E have been exonerated by the Hon'ble Whole Time Member, the connections of the remaining Noticees as held by the Hon'ble Whole Time Member and upheld by the Hon'ble SAT vide order dated April 29, 2022 are as under:

Table No. 3

Noticee no. as per SCN	***Name of the Noticee***	***Basis of Connection***
1.	*Subodh Agarwal*	*Subodh Agarwal has been associated with Manoj Kumar Agarwal and Deepa Mittal, PDs of Sulabh since February 27, 2007 as they were subscribers to the Memorandum of Association of Samtal Financial Systems Pvt. Ltd. Further, Subodh Agarwal was also associated with Niranjan Swaroop Goel (who became a Director of Sulabh from September 28, 2012) since June 17, 2004 as both of them along with Renu Agarwal (wife of Subodh Agarwal) signed as subscribers to the memorandum of association of Litmus Investments Ltd.* ***Finding:*** *In view of the above, Subodh Agarwal apart from being connected with the aforesaid entities is also connected with the company and PDs.*
2.	*Divya Agarwal*	*She has received 1, 35,000 shares in the first preferential allotment done by the company in March, 2011.*

[6] (1994) 4 SCC 602.

		The Noticee had a direct bilateral off market transaction without going through the Exchange platform with Vasundhara Capital and Securities Ltd., in the scrip of Nikki Global Finance Ltd. for 50,000 shares (received) on 9/6/2010. Subodh Agarwal is the Director of Vasundhara Capital and Securities Ltd. who in turn is connected to the company and its PDs. ***Finding:*** *In view of the above, she is connected with the company, Subodh Agarwal and PDs.*
3.	*Geeta Mishra*	*She has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* *The Noticee had a direct bilateral off market transaction without going through the Exchange platform with Big Broker House Stock Limited in the scrip of Mefcom Capital Markets Ltd. on 28/8/2010, 4/9/2010 & 8/10/2010. Subodh Agarwal, is the Director of Big Broker House Stock Limited.* ***Finding:*** *In view of the above, Geeta Mishra is connected with the company, Subodh Agarwal and PDs.*
4.	*Manish Kumar Garg*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding:*** *In view of the above, he is connected to the company.*
5.	*Sanjay Kumar*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding:*** *In view of the above, he is connected to the company.*
6.	*Pranveer Singh*	*He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares.* ***Finding:*** *In view of the above, he is connected to the company.*
7.	*Praveen Kumar Mishra*	*He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares.* *He has received in, off market, 2,00,000 shares of Mefcom Capital Markets Ltd. on 21/8/2010 from Big Broker House Stock Limited. Subodh Agarwal is the Director of Big Broker House Stock Limited.* ***Finding:*** *In view of the above, Praveen Kumar Mishra is connected with company, Subodh Agarwal and PDs.*
8.	*Surendra Kumar Gupta*	*He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares.* *He also shares common Mobile number (9935555552) with that of Manoj Kumar Agarwal who is the new Promoter of Sulabh.* ***Finding****: In view of the above, Surendra Kumar Gupta is connected to the company and with PD.*
9.	*Manoj Kumar Agarwal*	*New Promoter and Executive Director of Sulabh from 17/1/2011 till date.* ***Finding****: He is the PD and connected to the company.*
10.	*Deepa Mittal*	*New Promoter and Executive Director of Sulabh from 17/0/2011 till 14/2/2013.* ***Finding****: She is the PD and connected to the company.*
11.	*Santosh Kumar Agarwal*	*He was allotted 2,00,000 shares in the first preferential allotment and 3,00,000 shares in the second preferential allotment. Further, he is the Promoter of the company and shares common mobile number (9935555552) with his son, Manoj Kumar Agarwal who is the PD of the company.* ***Finding****: In view of the above, he is connected to the company.*
12.	*Manish Agarwal*	*He was allotted 2,00,000 shares in the first preferential allotment. Further, he is the Promoter of Sulabh and Director of Rodic Coffee Estates Private Limited, a subsidiary company of Sulabh.* ***Finding****: In view of the above, he is connected to the company.*
13.	*Krishna Agarwal*	*She was allotted 2,00,000 shares each in the first preferential allotment and in the second preferential allotment. Further, she is the Promoter of Sulabh.* ***Finding****: In view of the above, she is connected to the company.*

14.	*Ruchi Agarwal*	*She was allotted 2,00,000 shares in the first preferential allotment and 4,00,000 shares in the second preferential allotment Promoter of Sulabh. Further, she is the Promoter of Sulabh.* ***Finding:*** *In view of the above, she is connected to the company.*
15.	*Sandhya Agarwal*	*She was allotted 2,00,000 shares in the first preferential allotment and 4,00,000 shares in the second preferential allotment. Further, she is the Promoter of Sulabh and wife of Manoj Kumar Agarwal.* ***Finding:*** *In view of the above, she is connected to the company.*
16.	*Sulabh Engineers & Services Ltd*	*Company.*
17.	*Akhilesh Kumar Agnihotri*	*Akhilesh Kumar Agnihotri has received 300 shares of Sulabh on 25/6/2011 in physical form (direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding****: In view of the above, Akhilesh Kumar Agnihotri is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
18.	*Kavita Awasthi*	*Kavita Awasthi has received 200 shares of Sulabh on 25/6/2011 in physical form (direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding****: In view of the above, Kavita Awasthi is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
19.	*Raj Kumar Agarwal*	*Raj Kumar Agarwal has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding****: In view of the above, Raj Kumar Agarwal is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
20.	*Renu Agarwal*	*Renu Agarwal has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding****: In view of the above, Renu Agarwal is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
21.	*Rishi Kant Awasthi*	*Rishi Kant Awasthi has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).*

		***Finding**: In view of the above, Rishi Kant Awasthi is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
22.	*Rita Jain*	*Rita Jain has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, Rita Jain is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
23.	*Anant Fin Consultancy Pvt Ltd*	*Anant Fin Consultancy Pvt. Ltd. has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs.* *Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company.*
24.	*Ankit Jain*	*Ankit Jain has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, Ankit Jain is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
25.	*Deepak Kumar Sarraf*	*Deepak Kumar Sarraf has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, Deepak Kumar Sarraf is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
26.	*Jeetendra Kumar Agnihotri*	*He has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, he is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
27.	*Sanjai Jain HUF*	*Sanjai Jain HUF has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, Sanjai Jain HUF is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*

28.	*Subodh Agarwal HUF*	*The Noticee has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company*
29.	*Surendra Kumar Agarwal*	*He has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
31.	*Abhay Jain HUF*	*The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) 2,300 shares of Nikki Global Finance Ltd. from Samtal Financial System Limited on 30/03/2011. PDs of Sulabh are the subscribers to the memorandum of association of Samtal Financial Systems Pvt Ltd.* ***Finding:** In view of the above, the Noticee is connected to the company.*
32.	*Amit Jain*	*He has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) from Samtal Financial System Limited on 25/6/2011. PDs of Sulabh are the subscribers to the memorandum of association of Samtal Financial Systems Pvt Ltd.* ***Finding:** In view of the above, the Noticee is connected to the company.*
34.	*Rajesh Bhiani*	*He shares same contact number 9314494290 and email id rbihani@ymail.com with Deepak Kumar Saraf who has received shares of Sulabh in physical form from Anant Fin Consultancy Private Limited. He also shares common email id i.e., deepak_aryan@yahoo.com with Raj Kumar Agarwal, who is a co-director in Litmus Investments Limited with Niranjan Swaroop Goel (Director of Sulabh).* ***Finding**: The Noticee in its submissions has admitted to having the email id rbihani@ymail.com but has denied knowing Deepak Kumar Saraf or under what circumstances his phone number and email came to be used by Deepak Kumar Saraf. He has submitted that he has discontinued the use of mobile no. 9314494290 in the financial year 2011-12. He has submitted copy of his KYC document to substantiate the same. Further, he has denied having email id deepak_aryan@yahoo.com.* *In light of the submissions of the Noticee, I note as follows from the available records:* • *With respect to mobile number, it is observed from the KYC documents of Prabhat Financial Services Ltd. dated 13/12/2012 and Bonanza Portfolio Ltd. dated 14/2/2013 that a different mobile no. was given by him while opening the accounts with them. Considering, the Noticee has started trading in the scrip post August, 2012, a benefit of doubt can be given to the Noticee and his submission limited to this point is acceptable.* • *With respect to the email id, deepak_aryan@yahoo.com, it is observed from the available records that the said email id does not belong to him / the email id does not reflect in the available records against Rajesh Bihani's name.* • *With respect to the email id, rbihani@ymail.com it is observed that the Noticee and Deepak Kumar Saraf share the same email id. Deepak Kumar Saraf KYC records with Sushil Financial Services Private Ltd. reflects the aforesaid email id. Further, it is observed from the document titled "Authoristaion for Electronic Contract Notes / Statements" dated 10/9/2012 that the Noticee has given his consent to receive contract*

		notes, account statements / statement of securities in electronic form for which he has given the aforesaid email id. Since the Noticee and Deepak Kumar Saraf share the same email id, contract notes and account statements of each others trades would be accessible by both of them. Moreover, the Noticee has not submitted any documentary evidence for the steps taken by him against Deepak Kumar Saraf for using his email id *The aforesaid factors, on a preponderance of probability shows that the Noticee is connected with Deepak Kumar Saraf.* *Thus, from the above, it can be said that the Noticee is connected with Deepak Kumar Saraf who is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
37.	*Reena Jain*	*She has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) on 25/6/2011 from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
38.	*Param Jeet Singh*	*The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) 5,000 shares of Rich Universe Network Ltd. on 14/7/2009 from Vasundhara Capital and Securities Ltd. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. who is connected to the company and PDs.* *He has received from Rishi Kant Awasthi, in off market, 4,000 shares of Nikki Global Finance Ltd. on 19/5/2011. Rishi Kant Awasthi is the Director of Anant Fin Consultancy Pvt Limited and Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal who is connected to the company and PDs.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
39.	*Shubhang Exports Ltd*	*Shubhang Kaushik is the Director of Litmus Investments and Shubhang Exports Ltd. Shubhang Exports Ltd. is a shareholder of Vasundhara Capital and Securities Limited. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd.* *Director of Sulabh, Niranjan Swaroop, his wife, Usha Goel and Subodh Agarwal are the subscribers to the memorandum of Litmus Investments. Subodh Agarwal, is the Director of Litmus Investments.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
40.	*Usha Jain*	*She has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) on 25/6/2011 from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* ***Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
41.	*Vijay Shree Bihani*	*She shares same contact number 9314494290 and email id rbihani@ymail.com with Deepak Kumar Saraf who has received shares of Sulabh in physical form from Anant Fin Consultancy Private Limited. She also shares common email id i.e., deepak_aryan@yahoo.com with Raj Kumar Agarwal, who is a co-director in Litmus Investments Limited with Niranjan Swaroop Goel (Director of Sulabh).* ***Finding**: As noted above for Sl. No. 34, the findings with respect to mobile no. is same. Her KYC records with Prabhat Financial Services Ltd. and Bonanza Portfolio Ltd shows a different mobile no. Thus, a benefit of doubt can be given to the Noticee and her submission*

		to this limited point is acceptable. Further, based on KYC records, it is observed that the Noticee does not have an email id, deepak_aryan@yahoo.com / the email id does not reflect in the available records against Vijay Shree Bihani's name. *With respect to the email id, rbihani@ymail.com it is observed that the Noticee and Deepak Kumar Saraf share the same email id. Deepak Kumar Saraf KYC records with Sushil Financial Services Private Ltd. reflects the aforesaid email id. Since the Noticee and Deepak Kumar Saraf share the same email id, contract notes and account statements of each others trades would be accessible by both of them. Moreover, the Noticee has not submitted any documentary evidence for the steps taken by her against Deepak Kumar Saraf for using her email id. The aforesaid factors, on a preponderance of probability shows that the Noticee is connected with Deepak Kumar Saraf.* *Thus, from the above, it can be said that the Noticee is connected with Deepak Kumar Saraf who is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.*
42.	*KPK Fin Consultancy Pvt Ltd.*	*The list of shareholders includes Rita Jain, Kavita Awasthi, Sanjay Jain (Karta of Sanjay Jain HUF) amongst others. Rita Jain, Kavita Awasthi and Sanjay Jain HUF have received shares of Sulabh in physical form on 25/6/2011 from Anant Fin Consultancy Pvt. Ltd. Anant Fin Consultancy Pvt. Ltd. has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).* *Further, Rita Jain and Sanjay Jain are the shareholders of Samtal Financial Systems Private Limited whose subscribers are the new Promoters of Sulabh.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
43.	*Raghuvansh Agrofarms Ltd.*	*Subodh Agarwal is the Director of the company who is connected to the PDs of the company as discussed at sl. no. 1 of this table.* ***Finding:** In view of the above, the Noticee is connected to the company.*
45.	*Sanklap Vincom Pvt. Ltd.*	*Shareholders of the Noticee amongst others includes Abhiset Basu and Pradip Dey who are connected to Anil Khemka.* *Further, the Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of JMD Telefilms (2,000 shares; 26/3/2010), Twenty First Century (25/10/2013-08/11/2013; 9,90,000 shares), Mindvision Capital Ltd. (1000 shares; 25/03/2010), Nikki Global Finance Ltd. (46 shares; 6/3/2014), Rich Universe Network Ltd. (60,000 shares; 30/3/2010) and Sulabh (14,000 shares; 17/10/2013) to Signet Vinimay Pvt. Ltd., another company connected with Anil Khemka.* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
46.	*Shreya Stocks & Shares Pvt Ltd.*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,700 shares of Shree Ashtavinayak Cine Vision Limited to Adinath Shares and Commodities Pvt. Ltd. between May, 2009 to July, 2009. Adinath Shares and Commodities Pvt. Ltd has received in off market 16,500 shares of Nikki Global Finance Limited from the Director of Anant Fin Consultancy Pvt. Limited, Rishi Kant Awasthi. Adinath Shares and Commodities Pvt Ltd. has also transferred in off market 19,907 shares (cummulative) of Rich Universe Network Ltd. to Raghuvansh Agrofarms Ltd. on 24/2/2011 and 28/2/2011.* *Further, Director of the Noticee namely, Aditya Kumar Sinha - is a co- director with Pankaj Mittal in Priyanshi Securities Ltd. Priyanshi Securities Ltd. has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Raghuvansh Agrofarms Ltd. (received 2,000 shares in Capri Global Capital Ltd. on 10/5/2010) and Vasundhara Capital and Securities Ltd. (transferred 22,000 shares of Satyam Computers Ltd., 975 shares of JVL Agro Industries Ltd., & 60,000 shares of Nikki Global Finance Ltd. during February- March, 2010). Raghuvansh Agrofarms Ltd. and Vasundhara Capital and Securities Ltd. are connected to Subodh Agarwal who is connected to the company.*

		***Finding**: It is noted from Noticee's submission and records that Aditya Kumar Sinha was not the Director of the Noticee when the Noticee traded in the scrip. His directorship in the Noticee was from 13/1/2014 to 3/7/2019 and the Noticee has traded in the scrip during the period 17/8/2012 to 1/2/2013.* *However, Anant Fin Consultancy Pvt Limited and Raghuvansh Agrofarms Ltd. are connected to Subodh Agarwal who is connected to the company. Thus, the Noticee is connected to Subodh Agarwal and the company.*
47.	*Shrishti E Systems Pvt Ltd.*	*Anurag Khandelwal, the Director of the Noticee is a shareholder of Anant Fin Consultancy Pvt. Limited and Vasundhara Capital and Securities Limited. Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited are connected to Subodh Agarwal who is connected to the company.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
48.	*Signet Vinimay Pvt Ltd.*	*The Director of the Noticee is Abhiset Basu who is connected with Anil Khemka. Further, the shareholders of the company includes SKM Travels Pvt. Ltd., Apex Commotrade Pvt. Ltd., apart from other connected entities of Anil Khemkha (Abhiset basu and Pradip Dey).* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
49.	*SKM Travels Pvt Ltd*	*The Director of the Noticee is Abhiset Basu who is connected with Anil Khemka. Further, the shareholders of the company include Apex Commotrade Pvt. Ltd., apart from connected entities of Anil Khemkha (Abhiset basu and Pradip Dey).* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
50.	*Apex Commotrade Pvt Ltd*	*The Noticee is a shareholder in Anil Khemka related companies namely, Signet Vinimay Pvt. Ltd. and SKM Travels Pvt. Ltd.* *The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related entities. The Noticee has transferred 1,000 shares of Nikki Global Finance Ltd. in off market to Spice Merchants Ltd. on 31/1/2014, 20 shares of Nikki Global Finance Ltd. in off market to Signet Vinimay Pvt. Ltd. on 6/3/2014, 4,100 shares of Kappac Pharma Ltd. in off market to Signet Vinimay Pvt. Ltd. on 24/2/2014 & 19/3/2014 and 2,500 shares of Access Global Ltd. in off market to Sanklap Vinicom on 17/4/2012.* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
51.	*Spice Merchants Pvt Ltd*	*The Noticee shareholder includes Apex Commotrade Pvt. Ltd., which is a Anil Khemka related company.* *The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related entities. The Noticee has transferred shares of Mishka Finance and Trading Ltd. (5,00,000 shares; 17-31/7/2014) and Kailash Auto Finance Ltd. (3,48,000 shares; August 19- September 4, 2014) in off market to Apex Commotrade Pvt. Ltd. The Noticee has also transferred shares of Kailash Auto Finance Ltd. (1,45,000 shares; 10-20/9/2014), Kappac Pharma (1550 shares; 15/3/2014), Ecowave Infotech Ltd. (25,000 shares; 29/3/2014) and Radford Global (1,25,000 shares; 24/3/2014) in off market to Signet Vinimay Pvt. Ltd.* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
53.	*Aviral Industries Ltd*	*Director of the company, Amit Agarwal is also a Director in Bigtime E- Solutions Private Limited and Shrishti E-Systems Private Limited. Bigtime E-Solutions Private Limited and Shrishti E-Systems Private Limited have another Director in common, Anurag Khandelwal who is a shareholder of Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited. Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited are connected to Subodh Agarwal who is connected to the company.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
55.	*Bakliwal Vyapaar Pvt Ltd*	*The Noticee has a common Director, namely Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal, who is connected to the company.*

		Further, the Noticee is also a shareholder in Success Vyapar Ltd. which amongst others includes Subodh Agarwal's Brother, Raj Kumar Agarwal, and companies of Anil Kumar Khemka i.e., Apex Commotrade Private Limited, Alps Vyapar Private Limited (Anil Khemka, Pradip Dey, Rabindra Nath Bera and Rakesh Bajaj were Directors). Further, Directors of Success Vyapar Ltd. are Abhiset Basu, Pradip Dey (connectd entities of Anil Kumar Khemka) and other Director, Rishi Kant Awasthi is also a Director of Subodh's Companies i.e., Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited. *Annual reports of Success Vyapar Ltd. revealed that Lohagar Developers Pvt. Ltd. (Anil Khemka was a Director) transferred shares of Success Vyapar Ltd on 30/6/2009 to Rajkumar Agarwal - brother of Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka and Subodh Agarwal. Further, Anil Khemka and Subodh Agarwal are also connected to each other as well as with the company, Sulabh.*
56.	*Kamta Prasad Pandey*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of JSW Ispat Steel Ltd (5,000 shares; 19/6/2012) and Heidelberg Cement India Ltd (4,000 shares; 19/6/2012) to Vasundhara Capital. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. and is connected with the company.* *The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Capri Global Capital Limited (2,000 shares; 10/5/2010) and Nikki Global (12,437 shares; 4/2/2010) to Raghuvansh Agrofarms Limited. Subodh Agarwal, is the Director of Raghuvansh Agrofarms Limited and is connected with the company.* *The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 16,000 shares of Nikki Global to Adinath Shares and Commodities Pvt. Ltd. on 18/5/2011. Adinath Shares and Commodities Pvt. Ltd. has a common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
57.	*Runicha Merchants Pvt Ltd*	*The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Sanklap Vincom Private Limited (Twenty First Century [received 2,00,000 shares, 7/11/2013], Ecowave Infotech [received 35,000 shares; 2/7/2013]), Signet Vinimay Private Limited (Kappac Pharma [received 8,000 shares; 19/2-7/3-2014], Rich Universe [received 28,500 shares; 23/3/2010]) and Spice Merchants Private Limited (received Mishka Finance & Trading Ltd [20,000 shares; 23/9/2014], Kailash Auto Finance [received 20,000 shares; 22/8/2014], Kappac Pharma [received 25,000 shares; 4-26/3/2014], Ecowave Infotech [received 25,000 shares; 29/3/2014]). All the aforesaid entities are company related to Anil Khemka.* ***Finding**: In view of the above, the Noticee is connected to Anil Khemka.*
65.	*Jasmine Commodities Pvt Ltd*	*The Noticee has a common Director, namely Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. Further, shares of Bakliwal Vyapaar Private Limited are held by the Noticee.* ***Finding**: In view of the above, the Noticee is connected with Subodh Agarwal and Bakliwal Vyapaar Private Limited.*
67.	*Winall Vinimay Pvt Ltd.*	*Abhiset Basu who is connected with Anil Khemka is the Director of the Noticee. The Noticee has transferred in off-market (direct bilateral off market transaction without going through the Exchange platform) 30,000 shares of Cressanda Solutions Ltd. on 1/10/2013 to Scope Vyapar Private Limited/ Class Commercial Private Limited (same PAN). Scope Vyapar shares common address with Anil Khemka companies, Signet Vinimay Private Limited, Sanklap Vincom Private Limited. Scope Vyapar Private*

		Limtied, Apex Commotrade Private Limited, Aman Sah and Shakuntala Sah are shareholders of Spice Merchants Private Limited. *The Noticee is also a shareholder of Sanklap Vincom Private Limited, which is connected to Anil Khemka. Shareholder of the Noticee includes Apex Commotrade Private Limited which is connected to Anil Khemka.* ***Finding**: In view of the above, the Noticee is connected with Anil Khemka.*
71.	*Gagandeep Construction Company Pvt Ltd*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 1,00,000 shares of Rich Universe Network Ltd. on 24/3/2012 to Raghuvansh Agrofarms Limited. Subodh Agarwal, the operator is the director of Raghuvansh Agrofarms Limited.* ***Finding**: In view of the above, the Noticee is connected with Raghuvansh Agrofarms Limited including Subodh Agarwal and the company.*
73.	*Kapeeshwar Vintrade Pvt Ltd*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) on 16/5/2014, 55,450 shares of Sulabh, 28,578 shares of Ashika Credit Capital Ltd, 1,27,983 shares of Rander Corporation Ltd. 1,43,000 shares of SRK Industries Ltd. and 1,29,340 shares of Cressanda Solutions Ltd. on 14/5/2014 to Sawaria Trading Pvt. Ltd. Sawaria Trading Pvt. Ltd. shares common address with Anil Khemka company, Signet Vinimay Pvt. Ltd. Further, Sawaria Trading Pvt. Ltd. has several off market transaction with Anil Khemka company, Sanklap Vincom Pvt. Ltd., Scope Vyapar Private Limited, Spice Merchants Private Limited.* *The Noticee has a common Director namely Biplab Guha with Mahamani Tradelink Pvt. Ltd. and Entact Equities Private Limited.* ***Finding**; It is noted from the order log trade log that the Noticee had last traded in the scrip during the investigation period on 28/5/2014. Therefore, considering the off market transfers took place while the Noticee was trading in the scrip, it can be held that the Noticee is connected with Anil Khemka.*
74.	*Mahamani Tradelink Pvt. Ltd.*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 14,624 shares of Ashika Credit Capital Ltd. to Bitter Commercial Pvt. Ltd. on 13/5/2014. Abhiset Basu, who was acting on behalf of Anil Khemka is the Director of Bitter Commercial Pvt. Ltd.* *The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) on 16/5/2014, 77,100 shares of Sulabh and 1,01,300 shares of Rander Corporation Ltd. to Sawaria Trading Pvt. Ltd. Sawaria Trading Pvt. Ltd. shares common address with Anil Khemka company, Signet Vinimay Pvt. Ltd. Further, Sawaria Trading Pvt. Ltd. has several off market transaction with Anil Khemka company, Sanklap Vincom Pvt. Ltd., Scope Vyapar Private Limited, Spice Merchants Private Limited. The Noticee has a common Director namely Biplab Guha with Kapeeshwar Vintrade Private Limited and Entact Equities Private Limited.* ***Finding**: In view of the above, the Noticee is related to Anil Khemka.*
76.	*Arunavo Mukherjee*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 63,600 shares of Sulabh on 10/5/2014 & 15/5/2014, 2,35,000 shares of Unno Industries Ltd. on 24/11/2014 & 10/5/2014, 17,577 shares of Cressanda Solutions Ltd. on 10/5/2014 and 75,000 shares of Rander Corporation Ltd. on 10/5/2014 to Camellia Vinimay Pvt. Ltd. Camellia Vinimay Pvt. Ltd. has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related companies, Bitter Commercial (3,000 shares of Ashika Credit Capital on 13/5/2014) and Spice Merchants Pvt. Ltd., (80,253 shares of Sulabh on 5/12/2014).* ***Finding**: In view of the above, the Noticee is related to Camellia Vinimay Pvt. Ltd. and Anil Khemka.*
78.	*Vasundhara Capital & Securities Ltd*	*Subodh Agarwal is the Director of the Noticee who is connected with the company as discussed at sl.no.1 of this table.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*

82.	*Arise Dealcom Pvt Ltd*	*Arise Dealcomm Private Limited has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Signet Vinimay Private Limited in Concrete Credit Ltd. for 11,600 shares on 24/12/2012 & 15/1/2013. The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Apex Commotrade Private Limited in Concrete Credit Ltd. for 1,600 shares on 16/1/2013. Signet Vinimay Private Limited and Apex Commotrade Private Limited are Anil Khemka related companies.* ***Finding**: In view of the above, the Noticee is connected with Anil Khemka.*
86.	*Dynamic Credit Finance Pvt Ltd*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,500 shares of Shree Tulsi Online to Vinod Singhania on 28/3/2009. Vinod Singhania has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of G R Industries & Finance Ltd. (1,900 shares on 2/1/2014), Nageshwar Investment (1,19,835 shares on 23/12/2013) and Rander Corporation Ltd. (40,000 shares on 23/12/2013 & 3,60,000 shares on 2/1/2014) to Sanklap Vincom Pvt. Ltd which is a Anil Khemka related company.* ***Finding**: In view of the above, the Noticee is connected with Anil Khemka.*
88.	*Rishabh Agarwal*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,400 shares of Nikki Global on 22/2/2013 and 10 shares of Neil Industries Ltd. on 22/8/2013 to Adinath Shares And Commodities Pvt Ltd. Adinath Shares has common Director with Anant Fin Consultancy Pvt Ltd which is a related entity of Subodh Agarawl.* ***Finding**: In view of the above, the Noticee is connected with Subodh Agarwal and the company.*
92.	*Acme Pvt. Ltd.*	*The Noticee has received in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 38,500 shares of Authum Investment & Infrastructure Limited from Ramesh Kumar Kedia on 18/8/2011. Ramesh Kumar Kedia has off market (direct bilateral off market transaction without going through the Exchange platform) with Sanklap Vincom for 5,000 shares in Shyama Infosys Ltd. on 15/7/2011. Sanklap Vincom is a Anil Khemka related company.* ***Finding:** In view of the above, the Noticee is connected with with Anil Khemka through Sanklap Vincom.*
94.	*Swapanloke Steels Pvt. Ltd.*	*Anil Khemka related entity.*
97.	*Pawan Kumari Agarwal*	*The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,400 shares of Nikki Global on 22/2/2013 & 10 shares of Neil Industries Ltd. on 22/8/2013 to Adinath Shares And Commodities Pvt Ltd. Adinath Shares has common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
103.	*Scope Vyapar Pvt. Ltd. / Class Commercial Pvt.*	*The Noticee shares common address in which Mr. Anil Khemka is/ was a Director (Gentle Tradecomm Pvt Ltd, Pewee Infrastructure Ltd, Flower Merchants Pvt Ltd, Lower Vyapar Pvt Ltd).* *It is observed from the Depositories data that the Noticee has several off market transactions with Lower Vyapar Pvt Ltd., Sanklap Vincom Pvt. Ltd., Spice Merchants Private Limited., Signet Vinimay Pvt. Ltd., and Apex Commotrade Pvt. Ltd. which are Anil Khemka related companies.* ***Finding**: In view of the above, the Noticee is connected with Anil Khemka.*
105.	*Lemon Vincom Pvt Ltd*	*The Noticee has a common Director namely Niranjan Kumar Jain with Blow Agency Pvt. Ltd. Blow Agency Pvt. Ltd. has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal.*

		The Noticee has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, director is Subodh Agarwal. ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
107.	*Litmus Investments Ltd*	*The Directors of Sulabh namely Niranjan Swaroop Goel and his wife Usha Goel and Subodh Agarwal were the subscribers to the memorandum. Subodh Agarwal is the Director of the company.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
108.	*Lark Commercial Pvt Ltd*	*The Noticee has a common Director namely Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director – Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
109.	*Girija Pandey*	*The Noticee has transferred 25,000 shares of Nikki Global Finance Ltd. in off market (direct bilateral off market transaction without going through the Exchange platform) to Success Vyapar Limited on 31/3/2011.* ***Finding**: As already noted Success Vyapar Limited is related to Subodh Agarwal. Therefore, in view of the above, it can be held that the Noticee is also connected to Subodh Agarwal.*
110.	*Devshyam Stock Broking Pvt Ltd*	*The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Ecowave Infotech Ltd. from Class Commercial Private Limited (1,000 shares; 12/11/2012), Apex Commotrade Pvt. Ltd. (7,900 shares; 3/5/2013 & 16/4/2014) and Spice Merchants Pvt. Ltd. (7,400 shares; 12/7/2013 & 6/6/2014).* ***Finding**: As already noted the off market transferors are related to Anil Khemka. Therefore, in view of the above, it can be held that the Noticee is also connected to Anil Khemka.*
111.	*Sanmati Goods Pvt Ltd*	*The Noticee has a common Director namely Ajay Kumar Thakur with Camellia Vinimay Pvt. Ltd. Camellia Vinimay Pvt. Ltd. has off market transactions with Anil Khemka related companies, Bitter Commercial (3,000 shares of Ashika Credit Capital on 13/5/2014) and Spice Merchants Pvt. Ltd., (80,253 shares of Sulabh on 5/12/2014).* ***Finding:** In view of the above, the Noticee is connected to Anil Khemka.*
113.	*Memori Vinimay Pvt Ltd*	*The Noticee has a common Director namely Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
116.	*Cube Trafin Pvt Ltd*	*Rajesh Kumar Jain is the common Director of the Noticee and Iris Commercial Pvt Ltd. Iris Commercial Pvt Ltd. has a common Director namely Kali Kant Choudhary with Lark Merchants Private Limited. Lark Merchants Private Limited has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*

119.	*Lark Merchants Pvt Ltd*	*Lark Merchants Private Limited has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
122.	*Raj Vardhan Agarwal*	*The Noticee has transferred in off market shares of Nikki Global Finance Ltd. (4,400 shares, 23/2/2013) and Neil Industries Ltd. (10 shares, 22/8/2013) to Adinath Shares and Commodities Pvt. Ltd. Adinath Shares and Commodities Pvt. Ltd. has a common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl.* ***Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.*
123.	*Manoj Agarwal*	*He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
124.	*Praveen Kurele*	*He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
125.	*Vinay Kumar Agarwal*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding**: In view of the above, the Noticee is connected to the company.*
126.	*Som Prakash Goenka*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011 and 4,00,000 shares in the second preferential allotment.* ***Finding**: In view of the above, the Noticee is connected to the company.*
127.	*Naveen Kurele*	*He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
128.	*Mridula Agrawal*	*The Noticee, as per her submission dated 4/12/2018, has purchased off market transaction for 35,000 shares of Sulabh at Rs. 20 per share with Success Vyapar Limited on 9/4/2012. Success Vyapar Limited is a related entity of Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected with Subodh Agarwal.*
129.	*Narender Kumar*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding**: In view of the above, the Noticee is connected to the company.*
130.	*Manisha Sharma*	*The Noticee, as per her submission dated 3/12/2018, has purchased off market transaction for 35,000 shares of Sulabh at Rs. 20 per share with Success Vyapar Limited on 9/4/2012. Success Vyapar Limited is a related entity of Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected with Subodh Agarwal.*
131.	*Seema Kapoor*	*She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
132.	*Sanjeev Sanghi*	*He has received 65,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
133.	*Mahabir Pershad HUF*	*It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*

134.	*Deepak Kumar Agarwal*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding**: In view of the above, the Noticee is connected to the company.*
135.	*Sanjay Kapoor*	*He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
136.	*Sapna Kapoor*	*She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
137.	*Sunil Kapoor*	*He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
138.	*Ashok Kumar Maheshwari*	*He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
139.	*Vivek Karwa*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011.* ***Finding**: In view of the above, the Noticee is connected to the company.*
140.	*Roopchandra Kumar*	*The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 13,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 9/10/2012.* ***Finding**: As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Noticee's submission that he has purchased the shares does not take away the fact that the shares were bought in off-market without going through the anonymous trading platform of the Exchange. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.*
141.	*Sabreen*	*Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 15,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 7/9/2012.* ***Finding**: As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.*
142.	*Sanjay Kumar HUF*	*It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
143.	*Arun Kumar HUF*	*It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
144.	*Raj Kumar*	*He has received 70,000 shares in the first preferential allotment done by the company in March, 2011 and 1,30,000 shares in the second preferential allotment.* ***Finding**: In view of the above, the Noticee is connected to the company.*
145.	*Manish Maheshwari*	*He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
146.	*Mahak Maheshwari*	*She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
147.	*Sajan Kumar Agarwal*	*He has received 75,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*
148.	*Narender Kumar HUF*	*It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012.* ***Finding**: In view of the above, the Noticee is connected to the company.*

149.	*Shubham Agarwal*	*The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 20,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 23/7/2012.* ***Finding**: As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.*
150.	*Ashish Agarwal*	*The Noticee has received shares of Sulabh in physical form from Samtal Financial System Limited which was incorporated by Subodh Agarwal.* ***Finding**: In view of the above, the Noticee is connected to the Subodh Agarwal.*

24. I note the Whole Time Member at paragraph no. 28.1 of the order dated September 03, 2020 observed in respect of the Subodh Agarwal related Noticees that they are the Noticees in which Mr. Subodh Agarwal is a Director or has a common Director with Mr. Subodh Agarwal's connected entity or the Noticee had an off market transfer with Mr. Subodh Agarwal's connected entity. The said order notes that the aforesaid connection when seen in light with the alleged part that the aforesaid Noticees played in the scheme, is significant and had an impact on the price of the scrip. The order has held such Noticees to be liable for violation of PFUTP Regulations and passed relevant directions. Some of the Noticees had also filed appeals before the Hon'ble SAT which have been dismissed and the order of the order of the WTM has been upheld.

25. As regards the Anil Khemka related Noticees, the said order has observed that as per IR, Mr. Anil Khemka, in his statement dated March 30, 2015 before the DDIT (Inv), Kolkata, has submitted that he is controlling and managing certain companies and also named them. Mr. Anil Khemka also stated that the main function of such companies was to provide the accommodation entries in the guise of Long Term Capital Gains (apart from Share Capital and Unsecured Loans). Several entities connected to Mr. Anil Khemka, entities named by Mr. Anil Khemka or entities connected to the entities named by him have traded in the scrip of Sulabh. In view of the material available on record, the said Anil Khemka related Noticees have been held liable for violation of PFUTP Regulations and relevant directions have been passed against them. Some of such Noticees had also filed appeals before the Hon'ble SAT which have been dismissed and the order of the order of the WTM has been upheld.

26. I note that the Noticees have contended that they should be provided all the materials collected during the course of investigation including the basis of the connection of the 471 Connected Entities/ Connected Noticee as the basis of connection given in Annexure 3 to the SCN have been materially altered by the Hon'ble Whole Time Member in the order dated September 03, 2020. The Noticees have relied on the observations of the Hon'ble Supreme Court in ***T. Takano v. SEBI***[7] and cited the following observations:

> *"23. The purpose of disclosure of information is not merely individualistic, that is to prevent errors in the verdict but is also towards fulfilling the larger institutional purpose of fair trial and transparency. Since the purpose of disclosure of information targets both the outcome (reliability) and the process (fair trial and transparency), it would be insufficient if only the material relied on is disclosed. Such a rule of disclosure, only holds nexus to the outcome and not the process. Therefore, as a default rule, all relevant material must be disclosed.*
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> *...*
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> ***D. Conclusion***
>
> *51 The conclusions are summarised below:*
>
> *(i) The appellant has a right to disclosure of the material relevant to the proceedings initiated against him. A deviation from the general rule of disclosure of relevant information was made in* ***Natwar Singh*** *(supra) based on the stage of the proceedings. It is sufficient to disclose the materials relied on if it is for the purpose of issuing a show cause notice for deciding whether to initiate an inquiry. However, all information that is relevant to the proceedings must be disclosed in adjudication proceedings;*
>
> *... ... ...*
>
> *(iii) The disclosure of material serves a three- fold purpose of decreasing the error in the verdict, protecting the fairness of the proceedings, and enhancing the transparency of the investigatory bodies and judicial institutions;*
>
> *(iv) A focus on the institutional impact of suppression of material prioritises the process as opposed to the outcome. The direction of the Constitution Bench of this Court in Karunakar (supra) that the non-disclosure of relevant information would render the order of punishment void only if the aggrieved person is able to prove that prejudice has been caused to him due to non-disclosure is founded both on the outcome and the process;*

[7] Civil Appeal Nos. 487-488 of 2022 (Decided on February 18, 2022).

27. The Noticees *inter alia* have also relied on the orders of the Hon'ble SAT in ***Vikas Gourihar Narnavar* v. *SEBI***[8] and ***Dhirajbhai V. Sanghvi HUF and Ors* v. *SEBI***[9] wherein the issue before the Tribunal was non – disclosure of Investigation Report and Order/ Trade Log. Similarly, I note that in ***T. Takano* v. *SEBI***[10], the question for consideration before the Hon'ble Supreme Court was whether an investigation report under Regulation 9 of SEBI (PFUTP) Regulations, 2003 must be disclosed to the person to whom a notice to show cause is issued when all the relied upon documents have been furnished to the noticee. I note that in the present case, the Investigation Report has been provided to the Noticees as Annexure 12 to the SCN. Furthermore, the Order Log and Trade Log have been provided to the Noticees as Annexure 2 to the SCN. I note that the Noticees cannot stretch the observations of the Hon'ble Supreme Court to seek all the material collected during the course of investigation including the basis of the connection of the 471 Connected Entities/ Connected Noticees, especially, when the said Noticees have not disputed the connection, as alleged in the SCN along with the relevant annexures. In case of individual Noticees where the connection has been disputed, the same has been dealt accordingly, in the subsequent paragraphs. In this regard, I also place reliance on the observation of the Hon'ble SAT in appeal filed by the Connected Noticees, in the context of off market shares received by certain Noticees from one of the Connected Noticees, Anant Fin Consultancy Pvt. Ltd., observed as under:

> *"47. We also find that no dispute has been raised with regard to the finding given by the WTM regarding the connection of the appellants with Subodh Agarwal or with certain companies who were directly connected to Subodh Agarwal or with the Company. The only ground urged is that the connection given in the show cause notice was different to the connection drawn in the impugned order by the WTM which in our opinion is irrelevant since the connection drawn by the WTM has not been disputed."*

28. In view of the above, I am unable to accept the said contention of the Noticee that the information and data relied in the Annexure 3 to the SCN should be provided to the Noticees.

[8] Appeal No. 281 of 2009 (Decided on June 15, 2010).
[9] Appeal No. 414 of 2018 (Decided on February 19, 2020).
[10] Supra note 7.

29. I note that the Hon'ble SAT vide order dated April 29, 2022 has remanded the matter with the observation to "*go into the trades executed by these preferential alottees and ... to consider as to whether the trades executed by these preferential allottees and the four noticees are similar to the trades executed by the 31 preferential entities who were exonerated. If the circumstances are similar then ... these preferential allottees are required to be given similar benefit that was given to the 31 preferential allottees. In the event trades have been executed by the preferential allottees which contributed to positive LTP or if it is found that the trades were manipulative and were part of the orchestrated scheme and created an impact in which case appropriate orders would be passed*." However, the Noticees nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150 have sought to argue that there are glaring discrepancies and contradictions in the SCN. I note that despite the scope of this order being limited to the observations of the Hon'ble SAT, I am dealing with the contentions raised by the Noticees, in the interest of justice.

30. I note that Noticees nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150 at paragraph 10 to 13 of their Common Written Submissions dated August 02, 2022 have contended that certain entities whose names are shown as connected entities in the charts appearing at page 6 of the SCN have not been included as Noticees to the Common SCN issued on July 31, 2017. I note that a host of factors are involved in determining whether or not an enforcement proceeding has to be initiated or not including the connection between the entities, the role played by the entity in manipulation etc. The Competent Authority after considering all the factors and their applicability to the facts and circumstances of the case and in light of the applicable provisions of securities laws, has decided to proceed with enforcement action against the Noticees against whom SCN has been issued. Moreover, the allegations against the Noticees is independent of the findings against other entities (who are not part of the SCN) and have to be adjudicated on their own merit. I would like to place reliance on the observations of Hon'ble SAT in the matter of ***Systematix Shares & Stocks (India) Ltd. vs. SEBI*** decided on April 23, 2012, wherein the Hon'ble SAT observed as follows:

> *"...It is true that the Board has taken action selectively against a few entities involved in the alleged wrong doing. According to the appellant the Board should have proceeded against all wrong doers and the action against the*

> *appellant and a few entities alone is also discriminatory. We cannot subscribe to this view since the Board has set its own benchmark in selecting cases for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful…"*

31. The Noticees nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150 at paragraph 14 of their Common Written Submissions dated August 02, 2022 have contended that the allegation that 150 Noticees including the said Noticees were controlling the entire free float of Sulabh except 300 shares is factually incorrect and given reasons as stated in paragraph 14 (a) to (h) of the said submissions. Therefore, the said Noticees have argued that the allegations contained in the SCN do not sustain and the same ought to be dropped. I note that the WTM vide order dated September 03, 2020 had framed Issue no. 2 as follows: "*Whether total number of shares, except 300 shares of Sulabh outstanding prior to the first preferential allotment in March, 2011, were acquired by the PDs and the Connected Noticees / Entities?"*. After considering the material available on record, the WTM noted at paragraph no. 40 that a significant number of shares i.e. 85% were under the control of the PDs and its related entities. I note that all the reasons put forth by the Noticees have been considered by the WTM in the order. The said paragraph no. 40 is reproduced as under:

> *"40. I observe from the material available on record that the PDs had acquired 1,48,850 shares (60.14%) of Sulabh. Further, the connected entities to the PDs, namely, Samtal Financial System Limited, Anant Fin Consultancy Pvt. Ltd., Rajendra Kaur, Paramjeet Singh and Dilip Kumar Agarwal have together acquired in physical form 61,600 shares (24.97%). Thus, the PDs along with the aforesaid Connected Entities had acquired 85.11% of the total share capital of Sulabh.* ***It is therefore, held that 2,10,450 shares out of total 2,47,500 shares outstanding apart from the shares allotted on a preferential basis, were controlled by the aforesaid connected entities.*** *Thus, it can be held that significant number of shares (85%) were under the control of the PDs and its related entities."*

32. In view of the fact that the contention raised by the Noticees has already been dealt by the WTM as Issue No. 2 in the order dated September 03, 2020 and finding in respect of the same has been reproduced above, I find that the same need not be examined in detail.

33. I shall now deal with the observations of Hon'ble SAT and proceed therefrom. I note that the Hon'ble SAT vide order dated April 29, 2022 has observed as under:

57. The 3rd set of appellants are 32 noticees…. Majority of the appellants in this set are preferential allottees except noticee nos. 128, 130, 140 and 141 who have purchased shares through off market from an entity who is connected to Subodh Agarwal and therefore connected with the Company. The common submission in this group is that there is no allegation of price manipulation against the appellants. The show cause notice does not allege that the appellants have indulged in price manipulation of the scrip. The only contention is, that they were allottees under the preferential allotment and therefore were connected to the Company. Insofar as the four other noticees are concerned they had purchased shares through off market transactions and therefore the allegation is that they were connected to the Company. Basic allegations against these appellants are that they are beneficiaries of the price manipulation having sold their shares at a time when the price of this scrip was higher. Further contention of the appellants is that there is no material to establish connection between the appellants and related parties who have alleged to play an individual role in the price manipulation and that an adverse inference has been drawn on the basis of surmises and conjectures on the sole ground that being preferential allottees or buying shares off market indicates that there is a connection between the parties. It was submitted that apart from the fact of purchasing off market by some of the appellants and other being preferential allottees there is no other evidence to show any other connection between the appellants and the Company and its directors. There is also no evidence to show that the appellants had indulged in price manipulation. It was further contended that 31 preferential allottees have already been exonerated who had sold shares amounting to Rs. 132 crore and therefore if such preferential allottees who were also connected to the Company and its promoter director there is no reason why a different treatment was being meted out to the appellants. It was urged that the appellants had only sold the shares and earned profits and by selling shares no fraud is made out under Regulation 4(b) of the PFUTP Regulations. It was also contended that sales made by the appellants were traded / executed in the open market and that the appellants had no control over the price discovery and that the price was determined as per the market demand and supply mechanism. Further, the appellants only sold a small portion of the total shareholding and still hold a substantial portion. It was contended that if the appellants had any thought of price manipulation it would have off loaded the entire shares. It was urged that action of the respondent was wholly arbitrary as well as discriminatory.

58. There is no doubt that private placements of shares are rarely given to unknown entities and consequently it can be safely presumed that preferential allottees are known the Company. One could easily club the preferential allottees in the premeditated scheme to benefit them from the price manipulation which was launched by the promoter directors. ***However, we find that out of 66 preferential entities 31 preferential entities have been exonerated by the WTM. No reasons have been given as to why these preferential allottees who were exonerated had sold shares worth Rs. 132 crore. In the instant case, there is no finding that these preferential allottees had increased the price of the scrip or contributed to positive LTP. Further,***

there is no finding that these preferential allottees had any connection with the counter parties. Thus, merely because the appellants reaped in huge profits by selling the shares cannot make them part and parcel of the fraudulent scheme hatched by the Company and the new promoters including Subodh Agarwal.

59. Some of the preferential allottees, namely, noticee no. 2, 3, 5, 6, 7 and 8 are also alleged to have received some shares from another entity in which Subodh Agarwal was a director and on that basis these preferential allottees have been booked. In our opinion, merely because these preferential allottees also received some shares from another entity in which Subodh Agarwal was a director does not make their trades tainted ***unless it is shown that they also traded for the purpose of increasing the price of the scrip.*** *Merely by selling the shares does not manipulate the price of the scrip or become a part of the fraudulent scheme. Similarly the connection drawn for noticee nos. 128, 130, 140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme.*

60. Considering the aforesaid, we are of the opinion that the case of these preferential allottees and the four noticees is required to be considered afresh. ***The WTM is required to go into the trades executed by these preferential alottees and is required to consider as to whether the trades executed by these preferential allottees and the four noticees are similar to the trades executed by the 31 preferential entities who were exonerated.*** *If the circumstances are similar then in our opinion these preferential allottees are required to be given similar benefit that was given to the 31 preferential allottees.* ***In the event trades have been executed by the preferential allottees which contributed to positive LTP or if it is found that the trades were manipulative and were part of the orchestrated scheme and created an impact in which case appropriate orders would be passed.***

61. .... The impugned order insofar as it relates to these appellants is quashed. The matter is remitted to the WTM to re-decide the matter insofar as these appellants are concerned in the light of the observation made above after giving them an opportunity of hearing…."

34. I note that the first preferential allotment was made by Sulabh in physical form on March 21, 2011 wherein 28 Lakh shares were issued to 27 noticees for Rs. 20 each (at a premium of Rs. 10 each). The second preferential allotment was made by Sulabh in March 2012 to 46 noticees and 70 Lakh shares were issued at Rs. 20 each (premium of Rs. 10 for each share). I note that the list of all the preferential allottees as culled out from Annexure 6 to the SCN is as under:

Table No. 4

Sr. No.	Name of the Preferential Allottee	Noticee no.	Qty. as per allotment
First Preferential Allotment			
1.	Mr. Santosh Kumar Agarwal	83	2,00,000
2.	Mr. Manish Agarwal	12	2,00,000
3.	Ms. Ruchi Agarwal	14	2,00,000
4.	Ms. Sandhya Agarwal	15	2,00,000
5.	Ms. Krishna Agarwal	13	2,00,000
6.	Mr. Vivek Karwa	139	70,000
7.	Ms. Manjeet Kaur	Non - Noticee	70,000
8.	Ms. Navjyot Singh	Non - Noticee	70,000
9.	Ms. Divya Agarwal	2	1,35,000
10.	Mr. Mahabir Prasad Agarwal	Non - Noticee	70,000
11.	Mr. Ajay Kumar Singhal	Non - Noticee	70,000
12.	Mr. Manish Kumar Garg	4	70,000
13.	Mr. Deepak Kumar Agarwal	134	70,000
14.	Mr. Vinay Kumar Agarwal	125	70,000
15.	Ms. Geeta Mishra	3	70,000
16.	Mr. Praveen Kumar Mishra	7	70,000
17.	Mr. Pranveer Singh	6	70,000
18.	Ms. Usha Tulsian	Non - Noticee	1,35,000
19.	Mr. Sanjay Kumar	5	70,000
20.	Mr. Narender Kumar	121	70,000
21.	Mr. Surendra Kumar Gupta	8	70,000
22.	Mr. Som Prakash Goenka	126	70,000
23.	Mr. Harish Kumar Narang	Non - Noticee	1,35,000
24.	Ashish Chaurasia (HUF)	Non - Noticee	1,35,000
25.	Mr. Suman Kumar Sharma	Non - Noticee	70,000
26.	Mr. Raj Kumar	144	70,000
27.	Mr. Akshay Agarwal	Non - Noticee	70,000
Second Preferential Allotment			
1.	Mr. Santosh Kumar Agarwal	83	3,00,000
2.	Ms. Krishna Agarwal	13	2,00,000
3.	Ms. Sandhya Agarwal	15	4,00,000
4.	Ms. Ruchi Agarwal	14	4,00,000
5.	Santosh Kumar Agarwal & Sons HUF	Non - Noticee	1,00,000
6.	Govind Mercantile Pvt. Ltd.	Non - Noticee	3,00,000
7.	Mr. Sanjay Kapoor	135	1,25,000
8.	Ms. Seema Kapoor	131	1,25,000
9.	Mr. Sunil Kapoor	137	1,25,000
10.	Ms. Sapna Kapoor	136	1,25,000
11.	Ms. Mahak Maheshwari	146	1,25,000
12.	Mr. Manish Maheshwari	145	1,25,000
13.	Mr. Ashok Kumar Maheshwari	138	1,25,000
14.	Mr. Anand Maheshwari	Non - Noticee	1,25,000

15.	Ms. Sunita Maheshwari	Non - Noticee	1,25,000
16.	Mr. Amit Agarwal	Non - Noticee	1,00,000
17.	Mr. Jai Prakash Sharma	Non - Noticee	1,25,000
18.	Mr. Praveen Kumara Kurele	124	1,50,000
19.	Mr. Navin Kumar Kurele	127	1,50,000
20.	Mr. Mayank Goel	Non - Noticee	1,00,000
21.	Mr. Arun Chawla	Non - Noticee	1,25,000
22.	Mr. Rekha Chawla	Non - Noticee	65,000
23.	Mr. Virendra Sharma	Non - Noticee	1,25,000
24.	Mr. Shiv Kumar Sharma	Non - Noticee	1,25,000
25.	Mr. Akhil Gupta	Non - Noticee	1,25,000
26.	Arun Kumar HUF	143	1,25,000
27.	Sanjay Kumar HUF	142	1,25,000
28.	Narender Kumar HUF	148	1,25,000
29.	Mahabir Pershad HUF	133	1,25,000
30.	Mr. Anand Bansal	Non - Noticee	65,000
31.	Mr. Utkarsh Singh	Non - Noticee	65,000
32.	Mr. Sajan Kumar Agarwal	147	75,000
33.	Mr. Siddharth Prakash Jaiswal	Non - Noticee	1,00,000
34.	Mr. Som Prakash Goenka	126	4,00,000
35.	Ms. Madhu Rani Goenka	Non - Noticee	2,75,000
36.	Mr. Surendra Kumar Gupta	8	4,00,000
37.	Mr. Rajni Gupta	Non - Noticee	2,75,000
38.	Ms. Uma Shanker Dhandhania	Non - Noticee	1,00,000
39.	Ms. Suman Kothari	Non - Noticee	75,000
40.	Mr. Raj Kumar	144	1,30,000
41.	Mr. Manoj Kumar Agarwal	123	1,50,000
42.	Mr. Sanjeev Sanghi	132	65,000
43.	Mr. Surinder Singh	Non - Noticee	70,000
44.	Mr. Tarinder Singh	Non - Noticee	70,000
45.	Mr. Surjit Singh	Non - Noticee	70,000
46.	Ms. Vinita Kejriwal	Non - Noticee	1,00,000

35. I note that before proceeding to deal with the issues raised in the present case, it is pertinent to mention that shares of Sulabh were allotted by the company in a preferential allotment unlike a public issue where funds are raised by inviting subscriptions from the public in general. Preferential issues can only be made by pre-negotiation. This signifies that the allottees agreed with the company on one-to-one basis to subscribe to its shares. Though Sulabh is a listed company, its shares were almost never traded. After a single trade on October 9, 2009, trading in the scrip was observed only from December 1, 2011 and even after that the scrip was infrequently traded. The profits of the company had reduced significantly from Rs. 9 lakhs to Rs. 1 lakh from the financial year 2008 -2009 to financial

year 2010-2011, and there is nothing on record to show that the fundamentals of the company changed substantially at the time of the preferential allotments which will inspire confidence in the company. I note from the Investigation Report (Annexure 12 to the SCN) the net profit figures of the company for the period 2009 to 2015 as tabulated below which is self-evident and shows that the financial performance of the company is weak:

Table No.5

(Rs. in crore)

Particulars – Year ended March	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total Income	0.11	0.07	0.03	0.38	1.10	0.90	1.08
PBT	0.1	0.06	0.01	0.20	0.63	0.53	0.76
Net Profit	0.09	0.05	0.01	0.15	0.43	0.37	0.51

36. It is noted that, even in such circumstances, the company was able to raise approximately Rs. 19.60 crore from 73 persons (including promoters) by selling its shares at a premium at a price of Rs. 20/- per share. This is only possible if there was a prior tacit understanding between the company and the preferential allottees to benefit subsequent to the allotment i.e., after the lock-in period ends.

37. With this context, I note that I have perused the SCN, its Annexures and the Trade Log at Annexure 2 and observe as under:

A. Role and trading of Noticee no. 3, Ms. Geeta Mishra and Noticee no. 7, Mr. Praveen Kumar Mishra

38. I note from Annexure 3 to the SCN that the Noticees, Ms. Geeta Mishra and Mr. Praveen Kumar Mishra had direct bilateral off market transactions without going through the Exchange platform with Big Broker House Stock Limited in the scrip of Mefcom Capital Markets Ltd. on August 28, 2010, September 04, 2010 and October 08, 2010, and August 21, 2010 respectively. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I also note from the said Annexure, that Mr. Subodh Agarwal, is the Director of Big Broker House Stock Limited. As stated

hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM of SEBI and the same has been upheld by the Hon'ble SAT. I note that the Noticees in their replies dated July 27, 2022 have stated that the submissions made therein are in addition to their replies dated May 24, 2018 and October 01, 2018. I note that in their reply dated May 24, 2018, the Noticees have admitted having off market transactions with Big Broker House Stock Limited.

39. The Noticees have, however, submitted that Big Brokers House Stock Limited has not been made party to the SCN, and therefore, the chain of connection is broken. The Noticee has cited the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[11] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charge cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. The off-market transfer between Ms. Geeta Mishra and Big Broker House Stock Limited which is managed by Mr. Subodh Agarwal has been to show that the Noticee is connected with the company and other Connected Noticees through Mr. Subodh Agarwal. Furthermore, I have perused the Trade Log and note that Big Broker House Stock Limited has not traded in the scrip of Sulabh during the Investigation Period. In addition to the above, the Noticee has also submitted that she was approached by Mr. Sajan Kumar Agarwal (Noticee no. 147, also before me) who was known to her through her friend circle in Kanpur to subscribe to the shares of the company through preferential allotment. In view of the above, I am unable to agree with the contention of the Noticee that the chain of connection is broken as Big Broker House Stock Limited has not been made party. Therefore, I find that Ms. Geeta Mishra is connected with the company, Ms. Subodh Agarwal and PDs.

40. I note that the SCN at Table No. 8 has alleged that during Patch 1B, Ms. Geeta Mishra had carried out 186 trades wherein 19 trades were carried out above LTP and her contribution

[11] Appeal No. 76 of 2019 (Order dated May 05, 2021).

to the positive LTP was Rs. 44.10/-. The SCN has also alleged that during Patch 1B, Mr. Praveen Kumar Mishra had carried out 96 trades wherein 8 trades were carried out above LTP and his contribution to the positive LTP was Rs. 26.55/-. In this regard, I find it pertinent to note the observations of the WTM in connection with trading in Patch 1B which has also been upheld by the Hon'ble SAT. The WTM at paragraph no. 63 and 64 of the order dated September 03, 2020 has observed that "out of 115 days during the patch when the scrip was traded, the 17 Connected Noticees traded over the LTP on 58 trading days. Thus, the Connected Noticees were trading every other day over the LTP and had executed total 95 trades over the LTP. It is noted that a total of 224 trades were executed over the LTP during the patch. The same highlights that Connected Noticees were predominant contributors to the LTP by executing approximately 42.4% of total market trades over LTP. This when seen in light of the previous patch where the Connected Noticees were trying to increase the price of the scrip, a similar device is carried out by the Connected Noticees in this patch wherein they have, by executing trades over the LTP have contributed for approximately 48% of market net price movement i.e., their net LTP contribution is for Rs. 152.6/-. Furthermore, the particulars of the trade executed by the Connected Noticees reveals that the counter parties to the orders were also 12 other Connected Noticees (One Connected Noticee was common). It is observed from the order log trade log that out of 95 trades that were executed by Seller Connected Noticees over the LTP, 52 trades over the LTP, were with Buyer Connected Noticees, contributing Rs. 93.7/- to gross positive LTP and Rs. 66.5/- to the net positive LTP. In other words, the Connected Noticees by trading amongst themselves have contributed to approximately 21% to the market net price movement. Moreover, considering the average no. of trades during this patch was around 16 trades, approximately 55% Connected Noticees trades that too over the LTP have matched with each other."

41. The tables below depicts the LTP contribution by the Connected Noticees as Sellers and LTP contribution by Connected Noticees by trading amongst themselves:

Table No. 5

Seller Name	All Trades			Trades above LTP			
	Net LTP	QTY sold	No of trades	LTP	QTY sold	No. of trading days	No of trades
Divya Agarwal	32.35	26,500	76	34.50	5,011	10	16

Pranveer Singh	28.25	70,000	267	35.15	2,343	11	14
Abhay Jain Huf	20.40	1,500	8	20.55	700	1	1
Geeta Mishra	12.95	48,209	186	44.10	6,518	15	19
Deepak Kumar Sarraf	11.30	30	3	11.30	30	3	3
Amit Jain	10.00	1,500	5	10.00	10	1	1
Subodh Agarwal HUF	7.20	20	2	7.20	20	2	2
Vijay Shree Bihani	7.10	2,058	21	13.10	304	3	3
Manish Kumar Garg	6.00	21,500	59	10.00	443	2	6
Praveen Kumar Mishra	5.10	30,444	96	26.55	576	6	8
Shubhang Exports Ltd	4.55	7,115	18	4.55	25	1	1
Raj Kumar Agarwal	3.65	10	1	3.65	10	1	1
Sanjay Kumar	1.90	50,544	135	16.30	3,342	10	13
Rajesh Bhiani	0.85	4,228	24	8.25	502	4	4
Param Jeet Singh	0.50	5,500	23	0.50	495	1	1
Reena Jain	0.25	1,500	10	0.25	500	1	1
Usha Jain	0.25	1,500	4	0.25	500	1	1
Sub Total	**152.6**	**2,72,158**	**938**	**246.2**	**21,329**	**58**	**95**
Grand Total	**320.35**	**4,92,596**	**1,870**	**662.05**	**52,139**	**100**	**224**

Table No. 6

Sr. No.	**Connected buyers to the sell trades of entities at above**	**Trades with 13* out of 17 entities tabulated above**		
		Trades with +ve LTP		
		+ve LTP	**No. of Trades**	**Trade Qty**
1	Subodh Agarwal	26.00	7	2,397
2	Rajesh Bhiani	33.05	4	40
3	Skm Travels Pvt Ltd	5.25	15	8,005
4	Sanklap Vincom Pvt Ltd	0.50	1	500
5	Shrishti E Systems Pvt Ltd	8.20	6	1,800
6	KPK Fin Consultancy Pvt Ltd	6.80	4	1,050
7	Shreya Stocks and Shares Pvt Ltd	5.85	6	1,530
8	Akhilesh Kumar Agnihotri	6.2	4	740
9	Anant Fin Consultancy Pvt Ltd	0.75	2	700
10	Raghuvansh Agrofarms Ltd	0.50	1	250
11	Jeetendra Kumar Agnihotri	0.50	1	300
12	Signet Vinimay Pvt Ltd	0.10	1	200
TOTAL		93.7	52	17,512

*4 entities namely Subodh Agarwal HUF, Manish Kumar Garg, Shubhang Exports Ltd and Raj Kumar Agarwal were not the counterparty sellers to the buyers in the aforesaid table.

42. Based on the particulars of the sell orders, the period of persistence in trading in the scrip, trading amongst the Connected Noticees, frequency of trading, contribution to the net price movement coupled with the weak fundamentals of the company, the WTM held that the Connected Noticees by executing the aforesaid sell trades and by trading amongst themselves have manipulated the price of the scrip by contributing to the LTP in Patch 1B and have created a misleading appearance of trading in the scrip.

43. As regards, trading in patch 2, WTM at paragraph nos. 84 and 85 has observed that "out of 365 trading days during the patch, the 40 Connected Noticees traded over the LTP on 223 trading days. Thus, the Connected Noticees had traded on 61% of days over the LTP and had executed total 1,208 trades over the LTP. It is noted that a total of 5,260 trades were executed over the LTP during the patch. The same highlights that Connected Noticees were significant contributors to the LTP by executing approximately 23% of total market trades over LTP. In terms of volume for the trades executed over the LTP, the Connected Noticees have executed approximately 26% of the total market volume. The aforesaid facts and figures shows that the Connected Noticees were repeatedly buying shares over the LTP and that too in a considerable quantity. 85. It is noted from the particulars of trade in the scrip of Sulabh that during this period a total of 2,39,31,293 shares were traded with an average volume of 65,565 shares. The same indicates that there was substantial liquidity in the scrip. It is further noted from the trading details in the scrip that a total of 16,10,873 shares were bought below LTP and a total of 1,98,96,614 shares were bought at LTP. In light of the aforesaid, it can be said that the Connected Noticees instead of executing 23% of their trades over the LTP, had the opportunity to buy shares at LTP or lower than LTP. This shows that the Connected Noticees were not behaving like a reasonable buyer who tries to buy shares at a low price. In the facts and circumstances of the matter where the Noticees are connected with each other, and on a regular basis trading over the LTP that too in significant volume coupled with the fact that the fundamentals and financials of the company are weak, casts a shadow of doubt on the trades of the Connected Noticees." The WTM relied on the observations of the Hon'ble SAT in the matter of ***Shri Lakhi Prasad Kheradi* v. *SEBI*** decided on June 21, 2018, wherein the Hon'ble SAT has observed as follows;

"…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…"

44. The table below depicts the LTP contribution by the Connected Noticees as buyers:

Table No. 7

Buyer Name	All Trades				Trades above LTP			
	Net LTP	QTY bought	No. of trade days	No of trades	LTP	QTY bought	No. of trade days	No of trades
Apex Commotrade Pvt Ltd	52.55	8,60,696	105	2,866	62.4	77,784	71	160
Spice Merchants Pvt Ltd	48.45	1130691	103	2,783	79.15	163628	64	166
Ankit Jain	32.6	9,100	2	3	32.6	7,770	2	2
Aviral Industries Ltd	28.45	3,92,354	30	3,010	50.05	15,100	24	79
Signet Vinimay Pvt Ltd	28.15	5,83,589	73	1,905	35.45	51,543	52	111
Bakliwal Vyapaar Pvt Ltd	27.1	2,73,342	14	1,291	32.1	19,000	14	61
Kamta Prasad Pandey	25.65	40,367	48	341	121.2	14,692	36	101
Runicha Merchants Pvt Ltd	25.4	5,38,902	84	2,396	38.1	26,065	44	95
Sanklap Vincom P Ltd	21.8	6,81,578	83	2,704	30.7	51,462	53	136
Vijay Shree Bihani	10.4	11,600	7	64	10.5	2,806	6	8
Jasmine Commodities Pvt Ltd	10.05	3,17,571	45	2,527	25.8	13,842	31	75
Winall Vinimay Pvt Ltd	9.6	4,25,731	62	1,234	15.6	34,240	30	59
Rita Jain	8.9	2,150	4	13	8.9	675	3	3
Gagandeep Construction Company Pvt Ltd	6.55	21,421	11	218	11.15	3,219	6	13
Mahamani Tradelink Pvt Ltd	5.9	78,350	7	215	7.6	10,600	5	15

Kapeeshwar Vintrade Pvt Ltd	5.85	90,350	9	120	7.65	10,376	6	10
Arunavo Mukherjee	5.75	1,60,600	15	269	7.3	33,088	9	26
Vasundhara Capital & Securities Ltd	4.15	1,99,709	13	1,505	10	2,549	10	15
Arise Dealcom Pvt Ltd	3	40,244	6	155	3.45	2,718	4	12
Santosh Kumar Agarwal	2.7	23,500	2	27	2.7	4,235	2	5
Dynamic Credit Finance Pvt Ltd	1.9	1,30,000	5	66	1.9	8,803	4	6
Rishabh Agarwal	1.6	8,480	2	66	1.6	910	1	4
Swapanloke Steels Pvt Ltd	1	16,000	2	3	1	16,000	2	3
Pranveer Singh	1	16,700	2	36	1	1,500	2	4
SKM Travels Pvt Ltd	0.8	90,000	2	54	0.8	5,863	2	3
Surendra Kumar Gupta	0.8	14,000	2	13	1.9	6,200	1	5
Pawan Kumari Agarwal	0.8	7,600	1	28	1.55	135	1	6
Scope Vyapar Pvt Ltd	0.5	20,500	3	43	0.5	18	1	1
Lemon Vincom Pvt Ltd	0.35	18,300	2	11	0.4	11,600	2	3
Litmus Investments Ltd	0.25	4,600	1	6	0.25	1,000	1	1
Lark Commercial Pvt Ltd	0.25	32,000	3	45	0.25	5,516	2	2
Girija Pandey	0.25	57,100	1	109	0.25	3,670	1	5
Devshyam Stock Broking Pvt Ltd	0.2	700	1	7	0.2	110	1	1
Sanmati Goods Pvt Ltd	0.2	35,550	5	28	0.65	4,600	3	4
Jeetendra Kumar Agnihotri	0.2	350	1	4	0.2	100	1	1
Memori Vinimay Pvt Ltd	0.15	10,000	3	10	0.65	1,600	2	2

Cube Trafin Pvt Ltd	0.1	8,000	1	2	0.1	4,000	1	1
Subodh Agarwal	0.1	8,500	2	7	0.1	1,000	1	1
Raj Vardhan Agarwal	0.05	7,300	1	24	0.05	300	1	1
Total (40 connected noticees)	373.55	63,77,525	253	24,217	605.85	6,21,111	223	1,208
Grand Total	**1079.9**	**2,39,31,290**	**365**	**80,395**	**3,385.45**	**24,23,803**	**354**	**5,260**

45. The WTM has held that the findings that have been gathered from various circumstances for instance the connection amongst the Noticees, the period of persistence in trading in the scrip, frequency of trading, contribution to the LTP, the totality of the picture that emerges based on preponderance of probabilities leads to the conclusion that the aforesaid 40 Connected Noticees by repeatedly trading over the LTP as a group, have manipulated the price of the scrip and have created a misleading appearance of trading in the scrip during Patch 2. The said observation of the WTM has been upheld by the Hon'ble SAT vide order dated April 29, 2022.

46. The Noticees have relied on the orders of the Hon'ble SAT in the following appeals:

(i) Baldev Singh Vijaysingh Zala v. SEBI and Other connected appeals (Date of order: August 12, 2021)
(ii) Premchand Shah and Ors. v. SEBI (Date of order: February 21, 2011)
(iii) Narendra Ganatra v. SEBI (Date of order: July 29, 2011)
(iv) Smitaben N. Shah v. SEBI (Date of order: July 20, 2010)
(v) Kaushik Rajnikant Mehta v. SEBI & other connected appeals (Appeal no. 76 of 2019).
(vi) Manish Suresh Joshi v. SEBI (Date of order: January 13, 2020)

47. I have examined the aforesaid orders and I find that the facts and circumstances of the present case are distinguishable from the aforesaid cases as shown in the following paragraphs. I note that the Noticees, Ms. Geeta Mishra and Mr. Praveen Kumar Mishra are connected with each other common address i.e. 312 Lakhanpur Housing Society, Vikas Nagar, K P University, Kalyanpur, Kanpur Nagar, Uttar Pradesh – 208 024. It is also observed from Annexure 6 to the SCN that Ms. Geeta Mishra is wife of Mr. Praveen Kumar

Mishra. In view of the same, I note that the trades of both the Noticees ought to be considered together.

48. I note that Ms. Geeta Mishra had purchased 70,000 shares of the company at a premium of Rs. 20/- for Rs. 14,00,000/-, especially when the fundamentals of the company were weak as shown in paragraph no. 35 of this order. I also note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Geeta Mishra entered into 582 trades of value, Rs. 3,41,89,871/- during Patch 1B and Patch 2. Upon perusing the trade log, I note that 134 of these 582 trades i.e. 23 % trades of value Rs. 1,43,95,265/- were with other Connected Noticees as appearing in Table 8. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

Table No. 8

Trades of Ms. Geeta Mishra

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Anant Fin Consultancy Pvt Ltd	2	206,500.00
Gagandeep Construction Company Pvt Limited	10	986,875.00
KPK Fin Consultancy Private Limited	19	1,490,600.00
Rajesh Bhiani	1	103,000.00
Raghuvansh Agrofarms Ltd.	11	825,000.00
Sanklap Vincom P Ltd	5	821,000.00
Shrishti E Systems Private Limited	2	495,600.00
SKM Travels Private Limited	12	3,091,175.00
Subodh Agarwal	18	1,807,480.00
Akhilesh Kumar Agnihotri	22	1,971,455.00
Jeetendra Kumar Agnihotri	31	2,592,480.00
Vijay Shree Bihani	1	4,100.00
TOTAL	**134**	**14,395,265.00**

49. I note that Mr. Praveen Kumar Mishra had purchased 70,000 shares of the company at a premium of Rs. 20/- for Rs. 14,00,000/-, especially when the fundamentals of the company were weak as shown in paragraph no. 35 of this order. I also note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Praveen Kumar Mishra entered into 1532 trades of value, Rs. 4,72,56,530/- during Patch 1B and Patch 2. Upon perusing the trade log, I note that 293 of these 1532 trades i.e. 19% trades of value Rs. 70,66,254/-

were with other Connected Noticees as appearing in Table 9. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

Table No. 9

Trades of Mr. Praveen Kumar Mishra

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	49	741,180.00
Aviral Industries Limited	14	133,760.00
Runicha Merchants Private Limited	9	424,652.00
Sanklap Vincom P Ltd	16	324,000.00
Pranveer Singh	12	185,420.00
Vasundhara Capital And Securities Ltd.	73	2,071,712.80
Winall Vinimay Private Limited Ltd	67	780,170.00
Subodh Agarwal	5	412,500.00
Spice Merchants Private Limited	28	304,340.00
SKM Travels Private Limited	5	1,288,200.00
Shrishti E Systems Private Limited	2	233,750.00
Shreya Stocks And Shares P Ltd	2	9,390.00
Rajesh Bhiani	6	42,730.00
Vijay Shree Bihani	5	114,450.00
TOTAL	**293**	**7,066,254.80**

50. The Noticees have relied on the orders of the Hon'ble SAT in the matter of ***Kapil Chatrabhuj Bhuptani* v. *SEBI*** (Appeal no. 95 of 2013, date of decision: October 10, 2013), ***HB Stock Holdings Ltd.* v. *SEBI*** (Appeal no. 114 of 2012, date of decision: August 27, 2013), ***Jagruti Securities Ltd.* v. *SEBI*** (Appeal no. 106 of 2006, date of decision: October 27, 2008) and ***Money Growth Investment and Consultants Pvt. Ltd.* v. *SEBI*** (Appeal no. 1 of 2008, date of decision: August 27, 2008). I have perused the said orders and observe that the Hon'ble SAT through the said decisions has emphasized that mere trading by an entity in a particular scrip without any proved nexus with other clients/ counter parties is not per se punishable. I note that bearing the same in mind, allegations of fraud have been made against the Noticees, as in addition to the fact of their trading in the scrip, I note that they are also connected with Mr. Subodh Agarwal and the company, as has been already shown in paragraph no. 38 of this order.

51. Therefore, the fact that the Noticees are connected with Mr. Subodh Agarwal through off – market transactions, and the fact that the counterparty to the trades of the Noticees, Ms. Geeta Mishra and Mr. Praveen Kumar Mishra in 23% and 19% instances was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT shows that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Ms. Geeta Mishra and Mr. Praveen Mishra, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. In this regard the following observation of the Hon'ble Supreme Court in ***SEBI* v. *Kishore R. Ajmera***[12] ought to be considered:

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

52. It is also pertinent to note the following observations of the Hon'ble Supreme Court, albeit in the context of synchronized and reversal trades in ***SEBI* v. *Rakhi Trading Private Ltd.***[13] cautioning against the treatment of screen based trading as sacrosanct:

> *"…considering the reversal transactions, quantity, price and time and sale, parties being persistent in the number of such trade transactions with huge price variations, it will be too naïve to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be overlooking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the Board's circular. The impugned transactions are manipulative/ deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities."*

53. It is also pertinent to note the observations of the Hon'ble SAT in ***Mr. Bhavesh Pabari* v. *SEBI*** decided on July 3, 2012 which are as under:

[12] (2016) 6 SCC 368.
[13] Civil appeal no. 1969 of 2011 decided on February 8, 2018.

> *"…We agree with the adjudicating officer that matching of a large number of trades between the selected set of persons/entities for a considerable period of time in illiquid scrip cannot be a coincidence. Therefore, the adjudicating officer has rightly concluded that on the basis of the material on record, it is established that the appellant acted in collusion with others and created artificial volumes in the market and also influenced price of the scrip by placing and executing a large number of buy orders at a price higher than the last traded price and indulged in unfair trade practices. Therefore, we have no hesitation in upholding his findings that the appellant violated the provisions of regulation 4(1), 4(2)(a), (b), (e) and (g) of the FUTP regulations*…"

54. The order of the WTM dated September 03, 2020 has observed that during Patch 1A (December 01, 2011 to August 16, 2012) the price of the scrip moved from Rs. 11/- to Rs. 173.65/-, an increase by Rs. 162.35/-. The WTM also observed that the total LTP contribution by the Connected Notices during this period was Rs. 154.25/- out of Rs. 162.65/-, and therefore, held that Connected Noticees by executing the sell trades had manipulated the price of the scrip. I note that the Noticees, Mr. Praveen Kumar Mishra commenced trading on October 16, 2012 and Ms. Geeta Mishra commenced trading on October 19, 2012. I note that although the lock in period of one year ended on March 20, 2012, the Noticees did not start trading immediately, on the other hand, they were waiting for the price to be increased substantially by the Connected Noticees from March 2012 to October 2012 to trade in the scrip.

55. I note that the Noticees have contended that the net positive LTP due to matching of Noticees' trades with the Connected Noticees was too miniscule to influence the market equilibrium. In this regard, I find that in the given matter, the charge of price manipulation is based on the Connected Noticees acting as a group pursuant to a device / scheme and that by trading in a specific pattern at regular interval have artificially increased the price of the scrip. Therefore, few trades over LTP executed by Connected Noticees when seen along with other trades executed by other Connected Noticees, will definitely have a significant impact on the price of the scrip. In matters of manipulation, each Connected Noticee, plays his / her part in the entire scheme. Moreover, it is naïve to think that a person who is trying to manipulate the price of the scrip will only trade over LTP i.e., unidirectional. Some of his trades will be at LTP or below LTP but that does not mean that his LTP contribution cannot be examined independently of his other trades, else all manipulation can be "covered" by "other trades". One of the factors that attracts an investor to a scrip is the

continuous increase in the price of the scrip. In light of the same, contribution to the price by trading over LTP assumes significance. Therefore, I am unable to accept the said contention of the Noticee, Ms. Geeta Mishra.

56. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Ms. Geeta Mishra and Mr. Praveen Kumar Mishra's connection with the company as shown above, they were able to reach a tacit understanding with the company, its promoter directors and the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticees, Ms. Geeta Mishra and Mr. Praveen Kumar Mishra have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

B. Role and trading of Noticee no. 2, Ms. Divya Agarwal and Noticee no. 123, Mr. Manoj Agarwal

57. I note from Annexure 3 to the SCN that the Noticees, Ms. Divya Agarwal and Mr. Manoj Agarwal had off market transactions without going through the Exchange platform with Vasundhara Capital and Securities Ltd. I note that Mr. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. As stated hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM of SEBI and the same has been upheld by the Hon'ble SAT. I note that the Noticees, Ms. Divya Agarwal and Mr. Manoj Agarwal in their replies dated July 26, 2022 have stated that the submissions made therein are in addition to their replies dated August 20, 2018 and March 11, 2019, and January 21, 2019 respectively. I note that in their reply dated August 20, 2018 July 26, 2022, and January 21, 2019, the Noticees have submitted that their off market transactions with Vasundhara Capital and Securities Ltd. in the year 2010 were in the ordinary course and has nothing to do with their trading in the scrip of Sulabh. An off market transaction without going through the Exchange platform takes place when the the

buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. Therefore, I find that Ms. Divya Agarwal is connected with Mr. Subodh Agarwal and the company.

58. The Noticee, Ms. Divya Agarwal has submitted that she is facing allegation of price manipulation during Patch 1B of the investigation only, and that no allegation of price manipulation has been made against Vasundhara Capital and Securities Ltd. during Patch 1B. I note that the Hon'ble SAT vide order April 29, 2022 has directed the undersigned to consider the case of the Noticee afresh. In the said direction, the Hon'ble SAT has also directed that the undersigned is required to go into the trades executed by these preferential allottees and is required to consider as to whether the trades executed by the Noticee is found be manipulative and whether the Noticee was part of the orchestrated scheme and created an impact. The said order does not qualify that the trades carried out only during Patch 1B ought to be considered. Therefore, I am unable to accept the said contention of the Noticee.

59. The Noticee, Mr. Manoj Agarwal has contended that the WTM vide order dated September 03, 2020 has dropped the allegation of connection of the Noticee with Vasundhra Capital and Securities Ltd. and therefore, the allegation against the Noticee for violation of the PFUTP Regulations falls apart. As stated hereinabove, I note that the Hon'ble SAT vide order dated April 29, 2022 has remanded the matter to the undersigned to re-decide the matter in the light of the observation made by the Tribunal after giving an opportunity of hearing. Furthermore, I note that the Noticee in his reply dated January 21, 2019 has himself admitted entering into off market transfer with Vasundhra Capital and Securities Ltd. Therefore, I am unable to accept the said contention of the Noticee, Mr. Manoj Agarwal.

60. I note from Annexure 6 to the SCN i.e. details of preferential allotment that Ms. Divya Agarwal is the wife of Mr. Manoj Agarwal and the Noticees share a common address viz., 68/156, Canal Road, Kanpur. Ms. Divya Agarwal is found to be connected with Mr. Subodh Agarwal, the company and other Connected Noticees in the preceding paragraphs, therefore, Mr. Manoj Agarwal can also be said to be connected to Mr. Subodh Agarwal,

the company and other Connected Noticees by virtue of being Ms. Divya Agarwal's husband and sharing common address with her.

61. I note that the SCN at Table No. 8 has alleged that during Patch 1B, Ms. Divya Agarwal had carried out 76 trades wherein 16 trades were carried out above LTP and her contribution to the positive LTP was Rs. 34.50/-. I note that Ms. Divya Agarwal had purchased 1,35,000 shares of the company at a premium of Rs. 20/- for Rs. 27,00,000/-, especially when the fundamentals of the company were weak as shown in paragraph no. 35 of this order. I also note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Divya Agarwal entered into 1500 trades of value, Rs. 19,00,66,381/- during Patch 1B and Patch 2. Upon perusing the trade log, I note that 472 of these 1500 trades i.e. 31.47 % trades of value Rs. 2,84,92,655/- were with other Connected Noticees as appearing in Table 10. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

Table No. 10

Trades of Ms. Divya Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Anant Fin Consultancy Pvt Ltd	2	412,250.00
Apex Commotrade Private Limited	76	1,473,312.50
Arunavo Mukherjee	10	3,321,430.00
Aviral Industries Limited	48	665,735.00
Jasmine Commodities Private Limited	33	519,825.00
Kapeeshwar Vintrade Private Limited	25	1,088,000.00
Pranveer Singh	9	293,020.00
Rajesh Bhiani	19	306,320.00
Runicha Merchants Private Limited	40	539,350.00
Sanklap Vincom P Ltd	9	1,326,525.00
Shrishti E Systems Private Limited	17	1,912,250.00
Signet Vinimay Private Limited	42	2,665,725.00
SKM Travels Private Limit Ed	21	4,939,440.00
Spice Merchants Private Limited	81	6,714,802.50
Subodh Agarwal	10	988,030.00
Vasundhara Capital And Securities Ltd.	8	1,004,640.00
Winall Vinimay Private Limited Ltd	22	322,000.00
TOTAL	**472**	**28,492,655.00**

62. I note that Mr. Manoj Agarwal had purchased 1,50,000 shares of the company at a premium of Rs. 20/- for Rs. 30,00,000/-, especially when the fundamentals of the company were weak as shown in paragraph no. 35 of this order. I also note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Manoj Agarwal entered into 535 trades of value, Rs. 27,33,90,839/- during Patch 2. Upon perusing the trade log, I note that 72 of these 535 trades i.e. 13.46 % trades of value Rs. 1,63,16,017.50/- were with other Connected Noticees as appearing in Table 11. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

Table No. 11
Trades of Ms. Manoj Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Arunavo Mukherjee	4	1,258,750.00
Kamta Prasad Pandey	4	153,663.50
Spice Merchants Private Limited	58	14,674,960.80
Kapeeshwar Vintrade Private Limited	6	228,643.20
Total	**72**	**16,316,017.50**

63. The Noticee, Ms. Divya Agarwal has relied on the orders of the Hon'ble SAT in the matter of ***Kapil Chatrabhuj Bhuptani*** **v.** ***SEBI*** (Appeal no. 95 of 2013, date of decision: October 10, 2013), ***HB Stock Holdings Ltd.*** **v.** ***SEBI*** (Appeal no. 114 of 2012, date of decision: August 27, 2013), ***Jagruti Securities Ltd.*** **v.** ***SEBI*** (Appeal no. 106 of 2006, date of decision: October 27, 2008) and ***Money Growth Investment and Consultants Pvt. Ltd.*** **v.** ***SEBI*** (Appeal no. 1 of 2008, date of decision: August 27, 2008). I have perused the said orders and observe that the Hon'ble SAT has through the said decisions has emphasized that mere trading by an entity in a particular scrip without any proved nexus with other clients/ counter parties is not per se punishable. I note that bearing the same in mind, allegations of fraud have been made against the Noticees, as she is connected with Mr. Subodh Agarwal and the company, as has been already shown in paragraph no. 57 of this order.

64. Therefore, I note that the Noticees are connected with Mr. Subodh Agarwal through off – market transactions. Furthermore, the counterparty to the trades of the Noticees, Ms. Divya Agarwal and Mr. Manoj Agarwal in 31.4 % and 13.46 % instances was a Connected

Noticee and the WTM at paragraph nos. 63, 64, 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 1B and Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and thereby created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Ms. Divya Agarwal and Mr. Manoj Agarwal, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

65. The Noticees have relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

66. The order of the WTM dated September 03, 2020 has observed that during Patch 1A (December 01, 2011 to August 16, 2012) the price of the scrip moved from Rs. 11/- to Rs. 173.65/-, an increase by Rs. 162.35/-. The WTM also observed that the total LTP contribution by the Connected Notices during this period was Rs. 154.25/- out of Rs. 162.65/-, and therefore, held that Connected Noticees by executing the sell trades had manipulated the price of the scrip. I note that the Noticee, Ms. Divya Agarwal commenced trading on December 18, 2012. I also note that the although lock in period of one year ended on March 20, 2012 in case of Ms. Divya Agarwal who was allotted shares of the company during the first preferential allotment in March 2011, the Noticee did not start trading immediately, on the other hand, she was waiting for the price to be increased substantially by the Connected Noticees from March 2012 to October 2012 to trade in the scrip.

67. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Ms. Divya Agarwal and Mr. Manoj Agarwal's connection with the company as shown

above, they were able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticees, Ms. Divya Agarwal and Mr. Manoj Agarwal have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

C. Role and trading of Mr. Pranveer Singh

68. I note from Annexure 3 to the SCN that the Noticee, Mr. Pranveer Singh shares common address i.e., 117-h-1-243 Model Town Pandu Nagar, Kanpur, Uttar Pradesh, India, 208005 with Tanya Singh Beneficiary Trust which had off market transaction with KPK Fin Consultancy Private Limited. The Noticee has not disputed the Noticee shares a common address with Tanya Singh Beneficiary Trust. However, the Noticee has argued that his transactions in the scrip of Sulabh has no connection with the off market transaction executed between Tanya Singh Beneficiary Trust and KPK Fin Consultancy Private Limited indicating that the same has not been disputed. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. In view thereof, I note that Tanya Singh Beneficiary Trust and KPK Fin Consultancy Private Limited are known to each other. Further, the fact Mr. Pranveer Singh shares common address with Tanya Singh Beneficiary Trust shows that he is connected with KPK Fin Consultancy Private Limited. I note from the WTM order dated September 03, 2020 that the shareholders of KPK Fin Consultancy Private Limited include Ms. Rita Jain, Ms. Kavita Awasthi and Sanjay Jain (Karta of Sanjay Jain HUF) amongst others. The order observes that Ms. Rita Jain, Ms. Kavita Awasthi and Sanjay Jain HUF have received shares of Sulabh in physical form on June 25, 2011 from Anant Fin Consultancy Pvt. Ltd. Anant Fin Consultancy Pvt. Ltd. has a common Director, Mr. Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. whose director is Subodh Agarwal, who is connected to the company and

PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Mr. Dheeraj Agarwal). Further, Ms. Rita Jain and Sanjay Jain are the shareholders of Samtal Financial Systems Private Limited whose subscribers are the new Promoters of Sulabh. In view of the above, KPK Fin Consultancy Private Limited has been held to be connected to Subodh Agarwal and the company. Furthermore, after examining the trades of KPK Fin Consultancy Private Limited, the WTM has held that the said company has also manipulated the price of the scrip and created a misleading appearance of trading in the scrip.

69. The Noticee has also argued that none of the Noticee's trades matched either with Mr. Subodh Agarwal or KPK Fin Consultancy Private Limited, and therefore, his connection with KPK Fin Consultancy Private Limited and therefore with Mr. Subodh Agarwal is totally far-fetched. I note that Noticee, Mr. Pranveer Singh purchased 70,000 shares at a value of Rs.14,00,000/- (Rs. 10 at a premium of Rs. 10/-). I note from Table No. 12 that majority of the Noticee's trades were with Shreya Stocks and Shares Pvt. Ltd (81 trades) and Shubhang Exports Ltd (64 trades) of value, Rs. 80,42,212.30/- and Rs. 37,55,984.75/- respectively. I note from the WTM order dated September 03, 2020 that both the said counterparties have been held to be connected to Mr. Subodh Agarwal. Furthermore, the order has also observed that the said counterparties have manipulated the price of the scrip and created a misleading appearance of trading in the same. I note that it cannot be a mere coincidence that the Noticee is alleged to be connected with KPK Fin Consultancy Private Limited, a Mr. Subodh Agarwal related entity, and the counterparties to majority of the Noticee's trades were also connected with Mr. Subodh Agarwal, and that by virtue of these trades, the Noticee was not only able to recover the amount used to purchase the shares of Sulabh but also make substantial profit. Keeping in view the aforesaid factors, I find that the Noticee, is connected with Mr. Subodh Agarwal and the company.

70. I note that the SCN at Table No. 8 has alleged that during Patch 1B, Mr. Pranveer Singh had carried out 326 trades wherein 16 trades were carried out above LTP and her contribution to the positive LTP was Rs. 34.50/-. I note that the Noticee, Mr. Pranveer Singh purchased 70,000 shares at a value of Rs.14,00,000/- (Rs. 10 at a premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak

as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Pranveer Singh entered into 326 trades of value, Rs. 2,13,95,752/- during Patch 1B as well as Patch 2 of the Investigation Period. Upon perusing the trade log, I note that 179 of these 326 trades i.e. 55 % trades were with other Connected Noticees as appearing in Table 12. I note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 12
Trades of Mr. Pranveer Singh

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Sanklap Vincom P Ltd	22	2,521,500.00
Shreya Stocks And Shares P Ltd	81	8,042,212.30
Signet Vinimay Private Limited	11	980,600.00
Shubhang Exports Ltd	64	3,755,984.75
Rajesh Bhiani	1	90,720.00
TOTAL	**179**	**15,391,017.05**

71. The Noticee, Mr. Pranveer Singh has relied on the orders of the Hon'ble SAT in the matter of ***Kapil Chatrabhuj Bhuptani*** **v.** ***SEBI*** (Appeal no. 95 of 2013, date of decision: October 10, 2013), ***HB Stock Holdings Ltd.*** **v.** ***SEBI*** (Appeal no. 114 of 2012, date of decision: August 27, 2013), ***Jagruti Securities Ltd.*** **v.** ***SEBI*** (Appeal no. 106 of 2006, date of decision: October 27, 2008) and ***Money Growth Investment and Consultants Pvt. Ltd.*** **v.** ***SEBI*** (Appeal no. 1 of 2008, date of decision: August 27, 2008). I have perused the said orders and observe that the Hon'ble SAT through the said decisions has emphasized that mere trading by an entity in a particular scrip without any proved nexus with other clients/ counter parties is not per se punishable. I note that bearing the same in mind, allegations of fraud have been made against the Noticees, as he is connected with Mr. Subodh Agarwal and the company, as has been already shown in paragraph nos. 68 and 69 of this order.

72. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal through off – market transactions. Furthermore, the counterparty to the trades of the Noticee, Mr. Pranveer Singh in 55% instances was a Connected Noticee and the WTM at paragraph nos. 63, 64, 84 and 85 of the order dated September 03, 2020, quoted above, examined the role

of the aforesaid Connected Noticees in Patch 1B and Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and thereby created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Mr. Pranveer Singh, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticee, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

73. The Noticees have relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

74. The order of the WTM dated September 03, 2020 has observed that during Patch 1A (December 01, 2011 to August 16, 2012) the price of the scrip moved from Rs. 11/- to Rs. 173.65/-, an increase by Rs. 162.35/-. The WTM also observed that the total LTP contribution by the Connected Notices during this period was Rs. 154.25/- out of Rs. 162.65/-, and therefore, held that Connected Noticees by executing the sell trades had manipulated the price of the scrip. I note that the Noticee, Mr. Pranveer Singh acquired shares of Sulabh through the first preferential allotment in March 2011. Although the lock in period of one year ended on March 20, 2012, the Noticee commenced trading in the scrip only from August 28, 2012. Therefore, it can be seen that the Noticee did not start trading immediately in the scrip, on the other hand, he was waiting for the price to be increased substantially by the Connected Noticees from March 2012 to August 2012 to trade in the scrip.

75. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Pranveer Singh's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating

Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Pranveer Singh have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

D. Role and trading of Noticee no. 128, Ms. Mridula Agarwal

76. I note from Annexure 3 to the SCN that the Noticee, Ms. Mridula Agarwal had off – market transfer with Success Vyapar Pvt. Ltd. without going through the Exchange platform. I note that the Noticee in her reply dated September 14, 2018 submitted that she had purchased the 35,000 shares of Sulabh on April 09, 2012 through off – market transfer from Success Vyapaar Pvt. Ltd. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note that despite the shares of Sulabh being available on the Exchange, the Noticee obtained the same through Success Vyapar Pvt. Ltd. which shows that the company was known to her. I also note that the WTM's order dated September 03, 2020 that the shareholders of Success Vyapar Ltd. include Subodh Agarwal's brother, Mr. Raj Kumar Agarwal, and another Connected Noticee, Apex Commotrade Private Limited. Further, the one of the directors of Success Vyapar Ltd. is Mr. Rishi Kant Awasthi who is also a director of Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited which are connected to Mr. Subodh Agarwal. I note that the connections and trades of Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited have been examined by the WTM and found them to be connected with Mr. Subodh Agarwal and the company, and that they have manipulated the price of the scrip and created a misleading appearance of trading.

77. The Noticee, Ms. Mridula Agarwal in her reply dated July 25, 2022, has also argued that Success Vyapar Ltd. is not made the party to the SCN and has cited the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[14] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charged cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. As noted hereinabove, Success Vyapar Ltd. is connected with Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited who are connected with Mr. Subodh Agarwal and the company and manipulated the price of the scrip and create a false and misleading appearance of trading. Furthermore, I have perused the Trade Log and note that Success Vyapar Pvt. Ltd. has not traded in the scrip of Sulabh during the Investigation Period except for executing one buy and one sell trade.

78. The Noticee, Ms. Mridula Agarwal in her reply dated July 25, 2022, has contended that the Hon'ble SAT had held that the connection of the Noticee with purported connected entities is too remote and cannot lead to a conclusion that the Noticee herein is also part of the fraudulent scheme. I note that the Noticee has selectively quoted the observations made by the Hon'ble SAT and relied on the observations without proper context in order to refute the allegation of connection with Mr. Subodh Agarwal and the company. The relevant portion of the order of the Hon'ble SAT dated April 29, 2022 is as under:

> *"59. Some of the preferential allottees, namely, noticee no. 2, 3, 5, 6, 7 and 8 are also alleged to have received some shares from another entity in which Subodh Agarwal was a director and on that basis these preferential allottees have been booked.* ***In our opinion, merely because these preferential allottees also received some shares from another entity in which Subodh Agarwal was a director does not make their trades tainted unless it is shown that they also traded for the purpose of increasing the price of the scrip. Merely by selling the shares does not manipulate the price of the scrip or become a part of the fraudulent scheme.*** *Similarly the connection drawn for noticee nos. 128, 130,*

[14] Supra Note at 11.

140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme."

79. I note that the Hon'ble SAT has observed that the Noticee nos. 2, 3, 5, 6, 7 and 8 i.e. Ms. Divya Agarwal, Ms. Geeta Mishra, Mr. Pranveer Singh, Mr. Praveen Kumar Mishra and Mr. Surendra Kumar Gupta have also received shares from an entity connected with Mr. Subodh Agarwal, and that the trades of the said Noticees cannot be held to be tainted solely based on the fact of connection unless it is shown that the said Noticees also traded for the purpose of increasing the price of the scrip. The observation of the Hon'ble SAT – "*Similarly the connection drawn for noticee nos. 128, 130, 140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme."* As shown in the previous paragraphs, in addition to being connected with Mr. Subodh Agarwal and the company, the counterparties to the trades of the Noticees, Ms. Divya Agarwal, Ms. Geeta Mishra, Mr. Pranveer Singh, Mr. Praveen Kumar Mishra were Connected Noticees who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, and that such finding has been upheld by the Hon'ble SAT which show that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the aforesaid Noticees, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case. A similar exercise has been carried out with respect to the Noticee, Ms. Mridula Agarwal in the subsequent paragraphs. Interestingly, another Noticee, Ms. Manisha Sharma (Noticee no. 130) also bought 35,000 shares of Sulabh from Success Vyapaar Ltd. on April 09, 2012. It is surprising that two Noticees, who claim to be unconnected, have purchased the same quantity of shares on the same day from the same seller. I note that the same is possible only if both Noticees, namely Ms. Mridula Agarwal and Ms. Manisha Sharma were part of the scheme orchestrated by the company, promoter directors, Mr. Subodh Agarwal and other Connected Noticees. Therefore, I am unable to agree with the contention of the Noticee that the Hon'ble SAT has held that the connection of the Noticee with purported connected entities is too remote. In view of the observations at paragraph nos. 76 to 78, I find that Ms. Mridula Agarwal is connected with Mr. Subodh Agarwal and the company.

80. I note that the Noticee, Ms. Mridula Agarwal purchased 35,000 shares at a value of Rs. 7,00,000/- (at Rs. 20/-) through off market transfer. I note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Mridula Agarwal entered into 2179 trades of value, Rs. 7,17,08,446/- during Patch 2. Upon perusing the trade log, I note that 1034 of these 2179 trades i.e. 47. 5 % trades were with other Connected Noticees as appearing in Table 13. I also note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 13
Trades of Ms. Mridula Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	87	881,095.00
Arunavo Mukherjee	60	2,272,863.60
Bakliwal Vyapaar Private Limited	331	3,414,602.50
Kamta Prasad Pandey	15	166,594.80
Lark Commercial Private Limited	8	342,720.00
Runicha Merchants Private Limited	159	1,556,149.55
Sanklap Vincom P Ltd	24	239,830.10
Scope Vyapar Private Limited	1	3,753.00
Signet Vinimay Private Limited	149	2,130,432.40
Spice Merchants Private Limited	151	2,860,639.00
Acme Private Limited	13	2,525,569.50
Winall Vinimay Private Limited Ltd	36	353,092.95
TOTAL	**1034**	**16,747,342.40**

81. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal and the company. Furthermore, the counterparty to the trades of the Noticee in 47. 5 % instances was a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and thereby created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, Ms. Mridula Agarwal, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without

the aid of the trades of the Noticee, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

82. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.
83. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Ms. Mridula Agarwal's connection with the company as shown above, she was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby she sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for her sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Ms. Mridula Agarwal has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

E. Role and trading of Noticee no. 130, Ms. Manisha Sharma

84. I note from Annexure 3 to the SCN that the Noticee, Ms. Manisha Sharma had off – market transfer with Success Vyapar Pvt. Ltd. without going through the Exchange platform. I note that the Noticee in her reply dated December 03, 2018 submitted that she had purchased the 35,000 shares of Sulabh on April 09, 2012 through off – market transfer from Success Vyapaar Pvt. Ltd. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note that despite the shares of Sulabh being available on the Exchange, the Noticee obtained the same through Success Vyapar Pvt. Ltd. which shows that the company was known to her. I also note that the WTM's order dated September 03, 2020 that the shareholders of Success Vyapar Ltd. include Subodh

Agarwal's brother, Mr. Raj Kumar Agarwal, and another Connected Noticee, Apex Commotrade Private Limited. Further, the one of the directors of Success Vyapar Ltd. is Mr. Rishi Kant Awasthi who is also a director of Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited which are connected to Mr. Subodh Agarwal. I note that the connections and trades of Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited have been examined by the WTM and found them to be connected with Mr. Subodh Agarwal and the company, and that they have manipulated the price of the scrip and created a misleading appearance of trading.

85. The Noticee, Ms. Manisha Sharma in her reply dated July 25, 2022, has also argued that Success Vyapar Ltd. is not made the party to the SCN and has cited the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[15] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charge cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. As noted hereinabove, Success Vyapar Ltd. is connected with Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited who are connected with Mr. Subodh Agarwal and the company and manipulated the price of the scrip and create a false and misleading appearance of trading. Furthermore, I have perused the Trade Log and note that Success Vyapar Pvt. Ltd. has not traded in the scrip of Sulabh during the Investigation Period except for executing one buy and one sell trade.

86. The Noticee, Ms. Manisha Sharma in her reply dated July 25, 2022, has contended that the Hon'ble SAT had held that the connection of the Noticee with purported connected entities is too remote and cannot lead to a conclusion that the Noticee herein is also part of the fraudulent scheme. I note that the Noticee has selectively quoted the observations made by the Hon'ble SAT and relied on the observations without proper context in order to refute

[15] Supra Note at 11.

the allegation of connection with Mr. Subodh Agarwal and the company. The relevant portion of the order of the Hon'ble SAT dated April 29, 2022 is as under:

> *"59. Some of the preferential allottees, namely, noticee no. 2, 3, 5, 6, 7 and 8 are also alleged to have received some shares from another entity in which Subodh Agarwal was a director and on that basis these preferential allottees have been booked.* ***In our opinion, merely because these preferential allottees also received some shares from another entity in which Subodh Agarwal was a director does not make their trades tainted unless it is shown that they also traded for the purpose of increasing the price of the scrip. Merely by selling the shares does not manipulate the price of the scrip or become a part of the fraudulent scheme.*** *Similarly the connection drawn for noticee nos. 128, 130, 140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme."*

87. I note that the Hon'ble SAT has observed that the Noticee nos. 2, 3, 5, 6, 7 and 8 i.e. Ms. Divya Agarwal, Ms. Geeta Mishra, Mr. Pranveer Singh, Mr. Praveen Kumar Mishra and Mr. Surendra Kumar Gupta have also received shares from an entity connected with Mr. Subodh Agarwal, and that the trades of the said Noticees cannot be held to be tainted solely based on the fact of connection unless it is shown that the said Noticees also traded for the purpose of increasing the price of the scrip. The observation of the Hon'ble SAT – "*Similarly the connection drawn for noticee nos. 128, 130, 140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme."* As shown in the previous paragraphs, in addition to being connected with Mr. Subodh Agarwal and the company, the counterparties to the trades of the Noticees, Ms. Divya Agarwal, Ms. Geeta Mishra, Mr. Pranveer Singh, Mr. Praveen Kumar Mishra were Connected Noticees who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, and that such finding has been upheld by the Hon'ble SAT which show that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the aforesaid Noticees, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case. A similar exercise has been carried out with respect to the Noticee, Ms. Manisha Sharma in the subsequent paragraphs. Interestingly, another Noticee, Ms. Mridula Agarwal (Noticee no. 128) also bought 35,000 shares of Sulabh from Success Vyapaar Ltd. on April

09, 2012. It is surprising that two Noticees, who claim to be unconnected, have purchased the same quantity of shares on the same day from the same seller. I note that the same is possible only if both the Noticees, namely, Ms. Manisha Sharma and Ms. Mridula Agarwal were part of the scheme orchestrated by the company, promoter directors, Mr. Subodh Agarwal and other Connected Noticees. Therefore, I am unable to agree with the contention of the Noticee that the Hon'ble SAT has held that the connection of the Noticee with purported connected entities is too remote. In view of the observations at paragraph nos. 84 to 86, I find that Ms. Manisha Sharma is connected with Mr. Subodh Agarwal and the company.

88. I note that the Noticee, Ms. Manisha Sharma purchased 35,000 shares at a value of Rs. 7,00,000/- (at Rs. 20/-) through off market transactions. I note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Manisha Sharma entered into 227 trades of value, Rs. 4,25,74,550/- during Patch 2 of the Investigation Period. Upon perusing the trade log, I note that 152 of these 227 trades i.e. 67 % trades were with other Connected Noticees as appearing in Table 14. I also note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 14
Trades of Ms. Manisha Sharma

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Bakliwal Vyapaar Private Limited	43	2,079,500.00
Sanklap Vincom P Ltd	106	4,739,600.00
Spice Merchants Private Limited	3	470,900.00
TOTAL	**152**	**7,290,000.00**

89. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal and the company. Furthermore, the counterparty to the trades of the Noticee in 67 % instances was a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that that there was a prior

meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, Ms. Manisha Agarwal, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without the aid of the trades of the Noticee, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

90. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

91. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Ms. Manisha Sharma's connection with the company as shown above, she was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby she sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for her sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Ms. Manisha Sharma has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

F. Role and trading by Mr. Sanjay Kumar, Mr. Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF, Narender Kumar HUF

92. I note that the said Noticees, Mr. Sanjay Kumar, Mr. Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF have common address i.e. D-151, East of Kailash, New Delhi – 110 065. Furthermore, I note from Annexure 6 to the SCN that Mr. Sanjay Kumar and Mr. Narender Kumar are sons of Mr. Mahabir Pershad and therefore, can be considered as connected through family relations. The connection amongst themselves as family members has also been admitted by the

Noticees in their respective replies. Therefore, the trades of the aforesaid Noticees ought to be considered together.

93. I note that the Noticees, Mr. Sanjay Kumar in his reply dated November 05, 2017 and Mr. Narendra Kumar in his reply dated November 06, 2017 at paragraph no. 10 (ii) have stated that around January 2011, Mr. Manoj Kumar Agarwal, promoter of the company, known to them through their friend circle in Kanpur had approached them in the context of seeking investment through subscription of shares by way of preferential allotment made by Sulabh. Thereafter on February 01, 2011, the Noticees, Mr. Sanjay Kumar and Mr. Narendra Kumar received an offer letter from the company and they have given their consent on February 11, 2011. The Noticees, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF in their reply dated November 05, 2017 at paragraph no. 10 (ii) have stated that around January 2012, Mr. Manoj Kumar Agarwal, promoter of the company, known to them through their friend circle in Kanpur had approached them in the context of seeking investment through subscription of shares by way of preferential allotment made by Sulabh. Thereafter, the Noticees, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF received an offer letter from the company on January 24, 2012 and they have given their consent on February 05, 2012. I note that the WTM vide order dated September 03, 2020 has observed that Mr. Manoj Kumar Agarwal along with Ms. Deepa Mittal and other Connected Noticees had orchestrated a plan and carried out a scheme wherein despite the weak fundamentals of the Company they cornered 85% of the shareholding, made two preferential allotments and raised Rs. 19.60 crore by selling its shares at a premium at a price of Rs. 20/-, and artificially increased the price of the shares of the Company along with other connected Noticees. The aforesaid scheme was found to be fraudulent and violative of Regulation 3 and 4 of PFUTP Regulations. The said finding has been upheld by the Hon'ble SAT vide order dated April 29, 2014. Therefore, I find that the Noticees, through their own submissions, are connected with Mr. Manoj Kumar Agarwal and the company.

94. I note from Annexure 3 to the SCN that the Noticee had off market transactions with Martina Biogenics Pvt. Ltd. The said company is related with Samtal Financial System Ltd. which is in turn connected with Mr. Subodh Agarwal. However, the Noticee in his reply

dated November 05, 2017 has stated that the said off market transactions with Martina Biogenics Pvt. Ltd. had taken place in September 2014 i.e. after the investigation period. I have taken cognizance of the submission made by the Noticee, however, I note that the connection of the Noticee with the promoters and company is already established in the preceding paragraphs.

95. I find it pertinent to note I note that the WTM has at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and thereby created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT.

96. I note that the Noticee, Mr. Sanjay Kumar had purchased 70,000 shares of the company at a premium of price at Rs. 20/- for Rs.14,00,000/-, especially when the fundamentals of the company were weak as shown in paragraph no. 35 of this order. I also note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Sanjay Kumar entered into 244 trades of value, Rs. 3,34,64,874.35/- during Patch 2. Upon perusing the trade log, I note that 44 of these 244 trades i.e. 18.03 % trades of value Rs. 56,29,017.50/- were with other Connected Noticees as appearing in Table 15. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

Table No. 15
Trades of Mr. Sanjay Kumar

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Anant Fin Consultancy Pvt Ltd	1	123,900.00
Gagandeep Construction Company Pvt Limited	1	41,150.00
Jeetendra Kumar Agnihotri	9	1,358,326.00
Rajesh Bhiani	1	4,750.00
Sanklap Vincom P Ltd	4	1,007,250.00
Shrishti E Systems Private Limited	7	1,115,750.00
SKM Travels Private Limit Ed	5	827,163.00
Subodh Agarwal	16	1,150,728.50
Total	**44**	**5,629,017.50**

Trading by Mr. Narender Kumar

97. I note that the Noticee, Mr. Narender Kumar purchased 70,000 shares at a value of Rs. 14,00,000/- (a premium of price at Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Narender Kumar entered into 1392 trades of value, Rs. 4,51,44,840/- during Patch 2. Upon perusing the trade log, I note that of 867 of these 1392 trades i.e. 62.28 % were with other Connected Noticees as appearing in Table 16. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 16
Trades of Mr. Narendra Kumar

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Aviral Industries Limited	173	1,999,720.00
Gagandeep Construction Company Pvt Limited	102	756,540.00
Jasmine Commodities Private Limited	248	2,774,210.00
Spice Merchants Private Limited	2	247,504.00
Vasundhara Capital And Securities Ltd.	332	2,664,760.00
Pranveer Singh	10	4,60,075.00
TOTAL	**867**	**8,902,809.00**

Trading by Mahabir Pershad HUF

98. I note that the Noticee, Mahabir Pershad HUF purchased 1,25,000 shares at a value of Rs. 25,00,000/- (a premium of price at Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mahabir Pershad HUF entered into 160 trades of value, Rs. 3,99,23,561/- during Patch 2. Upon perusing the trade log, I note that of 92 of these 160 trades i.e. 57.5 % were with other Connected Noticees as appearing in Table 17. The details of such trades is provided below:

Table No. 17
Trades of Mahabir Pershad HUF

Details of Counterparty	No. of trades with such counterparty	Value of trades with Counterparty
Mahamani Tradelink Private Limited	41	1,022,250.00
Sanklap Vincom P Ltd	49	907,536.00
Spice Merchants Private Limited	2	496,000.00
Total	**92**	**2,425,786.00**

Trading by Sanjay Kumar HUF

99. I note that the Noticee, Sanjay Kumar HUF purchased 1,25,000 shares at a value of Rs.25,00,000/- (a premium of price at Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Sanjay Kumar HUF entered into 536 trades of value, Rs. 1,91,07,255/- during Patch 2. Upon perusing the trade log, I note that of 75 of these 536 trades i.e. 14 % were with other Connected Noticees as appearing in Table 18. The details of such trades is provided below:

Table No. 18
Trades of Sanjay Kumar HUF

Details of Counterparty	No. of trades with such counterparty	Value of trades with Counterparty
Arunavo Mukherjee	6	656,562.50
Jasmine Commodities Private Limited	6	84,008.40
Kamta Prasad Pandey	1	119,375.00
Sanklap Vincom P Ltd	60	1,052,455.60
Spice Merchants Private Limited	2	496,000.00
TOTAL	**75**	**2,408,401.50**

Trading by Arun Kumar HUF

100. I note that the Noticee, Arun Kumar HUF purchased 1,25,000 shares at a value of Rs. 25,00,000/- (a premium of price at Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Arun

Kumar HUF entered into 181 trades of value, Rs. 1,78,66,701/- during Patch 2. Upon perusing the trade log, I note that of 119 of these 181 trades i.e. 65.75 % were with other Connected Noticees as appearing in Table 19. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 19
Trades of Arun Kumar HUF

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	52	5,361,617.25
Jasmine Commodities Private Limited	20	851,100.00
Runicha Merchants Private Limited	13	1,004,010.00
Sanklap Vincom P Ltd	26	2,113,063.50
Signet Vinimay Private Limited	1	89,547.50
Spice Merchants Private Limited	7	1,194,568.00
TOTAL	**119**	**10,613,906.25**

Trading by Narender Kumar HUF

101. I note that the Noticee, Narender Kumar HUF purchased 1,25,000 shares at a value of Rs. 25,00,000/- (a premium of price at Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Narender Kumar HUF entered into 27 trades of value, Rs. 49,24,030/- during Patch 2. Upon perusing the trade log, I note that of 7 of these 27 trades i.e. 26% were with other Connected Noticees as appearing in Table 20. The details of such trades is provided below:

Table No. 20
Trades of Narendra Kumar HUF

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Arunavo Mukherjee	5	429,750.00
Spice Merchants Private Limited	2	429,750.00
TOTAL	**7**	**859,500.00**

102. In addition to being connected with Mr. Manoj Kumar Agarwal, promoter of Sulabh (by their own admission) who orchestrated a plan and carried out a scheme wherein despite the weak fundamentals of the Company, he, along with other Connected Noticees cornered 85% of the shareholding and artificially increased the price of the shares of the Company, I note that in 62.28% instances, the counterparty to the trades of Mr. Narender Kumar, was a Connected Noticee. In 65.75% instances, the counterparty to the trades of Arun Kumar HUF was a Connected Noticee. Similarly, in 57.5% instances, the counterparty to the trades of the Noticee, Mahabir Persad HUF, was a Connected Noticee. I also note that i.e. 25% instances and 13% instances, the counterparty to the trades of Narender Kumar HUF and Sanjay Kumar HUF, respectively, was a Connected Noticee. The WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Mr. Sanjay Kumar, Mr. Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case. Furthermore, the Noticees, Mr. Sanjay Kumar, Mr. Narender Kumar, Arun Kumar HUF and Narender Kumar HUF were not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

103. The Noticees have relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

104. The order of the WTM dated September 03, 2020 has observed that during Patch 1A (December 01, 2011 to August 16, 2012) the price of the scrip moved from Rs. 11/- to Rs. 173.65/-, an increase by Rs. 162.35/-. The WTM also observed that the total LTP contribution by the Connected Notices during this period was Rs. 154.25/- out of Rs. 162.65/-, and therefore, held that Connected Noticees by executing the sell trades had manipulated the price of the scrip. I note that the Noticees, Mr. Sanjay Kumar and Mr. Narendra Kumar were allotted shares during the first preferential allotment and that the lock in period of one year ended on March 20, 2012. However, the Noticees, Mr. Sanjay Kumar and Mr. Narendra Kumar commenced trading from November 2012 and May 2013 respectively. I note that the said Noticees did not start trading immediately after the end of the lock in period, I note that, on the other hand, they waiting for the price to be increased substantially by the Connected Noticees from March 2012 to October 2012 to trade in the scrip.

105. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Mr. Sanjay Kumar, Mr. Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF's connection with the company as shown above, they were able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticees, Mr. Sanjay Kumar, Mr. Narender Kumar, Mahabir Pershad HUF, Sanjay Kumar HUF, Arun Kumar HUF and Narender Kumar HUF have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

G. Role and trading of Ms. Mahak Maheshwari, Mr. Manish Maheshwari and Mr. Ashok Kumar Maheshwari

106. I note from Annexure 3 to the SCN that Ms. Mahak Maheshwari is said to be connected with Adinath Shares and Commodities Pvt. Ltd. based on off market transactions entered

by the Noticee without going through the Exchange platform. The Noticee, Ms. Mahak Maheshwari vide reply dated June 07, 2018 has admitted that the alleged off market transfer with Adinath Shares and Commodities Pvt. Ltd. took place in 2008. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note that solely because the off market transaction took place in 2008 does not mean that the Noticee is not known to Adinath Shares and Commodities Pvt. Ltd.

107. The Noticee in her reply dated July 25, 2022 has stated that the WTM vide order dated September 03, 2020 has dropped the allegation of connection of the Noticee with Adinath Shares and Commodities Pvt. Ltd. In this regard, I note that the Hon'ble SAT vide order dated April 29, 2022 has remanded the matter to the undersigned to re-decide the matter in the light of the observation made by the Tribunal after giving an opportunity of hearing. Therefore, I am unable to accept the contention of the said Noticee. The Noticee has also argued that Adinath Shares and Commodities Pvt Ltd is not made the party to the SCN and has cited the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[16] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charged cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. I note from Annexure 3 that Adinath Shares and Commodities Pvt. Ltd. has common director with Anant Fin Consultancy Pvt Ltd which is a related entity of Subodh Agarwal. As stated hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM of SEBI and the same has been upheld by the Hon'ble SAT. Furthermore, I have perused the Trade Log and note that Adinath Shares and Commodities Pvt. Ltd. has not traded in the scrip of Sulabh during the Investigation Period except for executing one buy and one sell trade. Therefore, I find that Ms. Mahak Maheshwari had off

[16] Supra Note at 11.

market Adinath Shares and Commodities Pvt. Ltd. which is related to Mr. Subodh Agarwal, and therefore, find that Ms. Mahak Maheshwari is connected with Mr. Subodh Agarwal and the company. The said Annexure 3 has also stated that Mr. Manish Maheshwari and Mr. Ashok Maheshwari are connected with Ms. Mahak Maheshwari through common address. I note that Mr. Ashok Maheshwari in his reply dated June 07, 2018 has submitted that Ms. Mahak Maheshwari is his daughter in law and Mr. Manish Maheshwari is his son. The same has been admitted by Ms. Mahak Maheshwari and Mr. Manish Maheshwari in their respective replies. In view of thereof, the Noticees can be considered as connected through family relations and therefore, Mr. Manish Maheshwari are connected with the company.

Trading by Ms. Mahak Maheshwari

108. I note that the Noticee, Ms. Mahak Maheshwari purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Mahak Maheshwari entered into 127 trades of value, Rs. 1,02,52,650/- during Patch 2. Upon perusing the trade log, I note that of 87 of these 127 trades i.e. 68.5% were with other Connected Noticees as appearing in Table 21. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 21
Trades of Ms. Mahak Maheshwari

Details of Counterparty	No. of trades with such counterparty	Value of trades with Counterparty
Apex Commotrade Private Limited	2	203,900.00
Sanklap Vincom P Ltd	60	3,874,600.00
Winall Vinimay Private Limited Ltd	25	2,041,500.00
TOTAL	**87**	**6,120,000.00**

Trading by Ms. Manish Maheshwari

109. I note that the Noticee, Mr. Manish Maheshwari purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Manish Maheshwari entered into 889 trades of value, Rs. 1,37,08,224/- during Patch 2. Upon perusing the trade log, I note that of 560 of these 889 trades i.e. 63% trades were with other Connected Noticees as appearing in Table 22. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 22
Trades of Ms. Manish Maheshwari

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	44	1,004,286.25
Aviral Industries Limited	299	3,424,299.00
Gagandeep Construction Company Pvt Limited	4	40,350.00
Runicha Merchants Private Limited	47	859,368.75
Sanklap Vincom P Ltd	27	1,038,125.00
Signet Vinimay Private Limited	24	1,033,765.00
Spice Merchants Private Limited	46	525,600.00
Vasundhara Capital And Securities Ltd.	53	656,360.00
Winall Vinimay Private Limited	16	529,961.00
TOTAL	**560**	**9,112,115.00**

Trading by Mr. Ashok Kumar Maheshwari

110. I note that the Noticee, Mr. Ashok Kumar Maheshwari purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Ashok Kumar Maheshwari entered into 966 trades of value, Rs. 2,44,54,533/- during Patch 2. Upon perusing the trade log, I note that of 499 of these 966 trades i.e. 51.7%

trades were with other Connected Noticees as appearing in Table 23. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 23
Trades of Mr. Ashok Kumar Maheshwari

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	55	2,181,013.25
Aviral Industries Limited	2	34,220.00
Jasmine Commodities Private Limited	146	2,762,286.00
Runicha Merchants Private Limited	14	1,044,450.00
Sanklap Vincom P Ltd	26	801,299.00
Shrishti E Systems Private Limited	5	94,775.00
Signet Vinimay Private Limited	42	1,416,247.25
Spice Merchants Private Limited	57	585,096.00
Vasundhara Capital And Securities Ltd.	128	3,412,625.00
Winall Vinimay Private Limited Ltd	24	810,000.00
TOTAL	**499**	**13,142,011.50**

111. In addition to being connected with Mr. Subodh Agarwal, I note that in 68.5% instances, the counterparty to the trades of the Noticee, Ms. Mahak Maheshwari is a Connected Noticee. Similarly, in 63% instances, the counterparty to the trades of the Noticee, Mr. Manish Maheshwari, is a Connected Noticee. In 51.7% instances, the counterparty to the trades of Mr. Ashok Kumar Maheshwari is a Connected Noticee. The WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Ms. Mahak Maheshwari, Mr. Manish Maheshwari and Mr. Ashok Kumar Maheshwari, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticees, the

counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case. Furthermore, the Noticees, Ms. Mahak Maheshwari, Mr. Manish Maheshwari and Mr. Ashok Kumar Maheshwari were not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees.

112. The Noticees have relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

113. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Ms. Mahak Maheshwari, Mr. Manish Maheshwari and Mr. Ashok Kumar Maheshwari's connection with the company as shown above, they were able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticees, Ms. Mahak Maheshwari, Mr. Manish Maheshwari and Mr. Ashok Kumar Maheshwari have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

H. Role and trading of Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor

114. I note from Annexure 3 to the SCN and the common reply of the Noticees, Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor dated September 24, 2018 that Ms. Seema Kapoor had off market transactions with Success Vyapar Limited without going through the Exchange platform in the scrip of Nikki Global Finance Limited. I note from the WTM's order dated September 03, 2020 that the shareholders of Success

Vyapar Ltd. include Subodh Agarwal's brother, Mr. Raj Kumar Agarwal, and another Connected Noticee, Apex Commotrade Private Limited. Further, one of the directors of Success Vyapar Ltd. is Mr. Rishi Kant Awasthi who is also a director of Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited which are connected to Mr. Subodh Agarwal. I note that the connections and trades of Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited have been examined by the WTM and found them to be connected with Mr. Subodh Agarwal and the company, and that they have manipulated the price of the scrip and created a misleading appearance of trading. I also note from Annexure 3 to the SCN and the common reply of the Noticees dated September 24, 2018 that Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor had off market transactions without going through the Exchange platform with Vasundhara Capital and Securities Ltd. I note that Mr. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. As stated hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM and the same has been upheld by the Hon'ble SAT.

115. The Noticees, in their common reply dated September 24, 2018 have stated that the said off –market transaction between the Noticees and Success Vyapar Limited took place in 2010 whereas they were allotted the shares of the company in 2012. The Noticees have argued that there is a substantial gap between the two events, and therefore, the same has no relevance or bearing with respect to the Noticees dealing in Sulabh. In this regard, I note that an off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transaction are known to each other. I note that solely because the off market transaction took place in 2010 does not mean that the Noticees are no longer known to each other.

116. The Noticees, Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor in their reply dated July 25, 2022 have stated that the WTM vide order dated September 03, 2020 has dropped the allegation of connection of the Noticee with Success

Vyapar Limited and Vasundhara Capital and Securities Ltd. In this regard, I note that the Hon'ble SAT vide order dated April 29, 2022 has remanded the matter to the undersigned to re-decide the matter in the light of the observation made by the Tribunal after giving an opportunity of hearing. Therefore, I am unable to accept the said contention of the Noticees.

117. The Noticee, Ms. Seema Kapoor in her reply dated July 25, 2022, has also argued that Success Vyapar Ltd. is not made the party to the SCN and has cited the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[17] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charged cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. As noted hereinabove, Success Vyapar Ltd. is connected with Mr. Raj Kumar Agarwal, Mr. Rishi Kant Awasthi, Apex Commotrade Private Limited, Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited who are connected with Mr. Subodh Agarwal and the company and manipulated the price of the scrip and create a false and misleading appearance of trading. In view of the observations at paragraph nos. 114 to 116, I find that Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor are connected with Mr. Subodh Agarwal and the company.

118. In addition to the above, the said Noticees also have common address i.e. 117/K/13, Plot No. 32, Block-E, Anand Cottage, Moti Vihar, Gutaiya, Sarvodaya Nagar, Hans Nagar, Kanpur – 208 005. Therefore, the trades of the aforesaid Noticees ought to be considered together.

Trading by Ms. Seema Kapoor

119. I note that the Noticee, Ms. Seema Kapoor purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35

[17] Supra Note at 11.

hereinabove. I note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Seema Kapoor entered into 857 trades of value, Rs. 4,03,03,796/- during Patch 2 of the Investigation Period. Upon perusing the trade log, I note that of 546 of these 857 trades i.e. 63.7 % trades were with other Connected Noticees as appearing in Table 24. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 24
Trades of Ms. Seema Kapoor

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	46	2,518,750.00
Aviral Industries Limited	134	1,514,135.90
Bakliwal Vyapaar Private Limited	74	5,238,463.50
Jasmine Commodities Private Limited	25	526,415.00
Runicha Merchants Private Limited	17	235,250.00
Sanklap Vincom P Ltd	19	2,185,250.00
Shrishti E Systems Private Limited	41	1,456,528.00
Signet Vinimay Private Limited	29	3,150,150.00
Vasundhara Capital and Securities Ltd.	146	5,136,327.50
Arise Dealcom Private Limited	15	1,424,846.75
TOTAL	**546**	**23,386,116.65**

Trading by Mr. Sanjay Kapoor

120. I note that the Noticee, Mr. Sanjay Kapoor purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 hereinabove. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Sanjay Kapoor entered into 259 trades of value, Rs. 3,37,67,148/- during Patch 2. Upon perusing the trade log, I note that of 119 of these 259 trades i.e. 46 % trades were with other Connected Noticees as appearing in Table 25. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 25
Trades of Mr. Sanjay Kapoor

Details of Counterparty	No. of trades with such counterparty	Value of trades with Counterparty
Apex Commotrade Private Limited	2	234,447.50
Bakliwal Vyapaar Private Limited	53	2,065,000.00
Rishabh Agarwal	19	980,880.00
Runicha Merchants Private Limited	29	1,105,881.00
Spice Merchants Private Limited	16	2,674,517.65
TOTAL	**119**	**7,060,726.15**

Trading by Ms. Sapna Kapoor

121. I note that the Noticee, Ms. Sapna Kapoor purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 hereinabove. I note from the SCN and trade log that during the Investigation Period, the Noticee, Ms. Sapna Kapoor entered into 357 trades of value, Rs. 3,24,07,981/- during Patch 2. Upon perusing the trade log, I note that of 124 of these 357 trades i.e. 35 % trades were with other Connected Noticees as appearing in Table 26. The Noticee was not only able to recover the cost of purchase of the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 26
Trades of Ms. Sapna Kapoor

Details of Counterparty	No. of trades with such counterparty	Value of trades with Counterparty
Apex Commotrade Private Limited	3	284,373.60
Arunavo Mukherjee	8	2,285,625.50
Runicha Merchants Private Limited	3	62,010.00
Sanklap Vincom P Ltd	36	1,643,010.00
Spice Merchants Private Limited	73	5,978,187.20
Winall Vinimay Private Limited Ltd	1	49,510.20
TOTAL	**124**	**10,302,716.50**

Trading by Mr. Sunil Kapoor

122. I note that the Noticee, Mr. Sunil Kapoor purchased 1,25,000 shares at a value of Rs. 25,00,000/- (Rs. 10 per share at premium of Rs. 10/-) through preferential allotment when

the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 hereinabove. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Sunil Kapoor entered into 319 trades of value, Rs. 2,86,27,849/- during Patch 2. Upon perusing the trade log, I note that of 117 of these 318 trades i.e. 37 % trades were with other Connected Noticees as appearing in Table 27. The Noticee was not only able to recover the cost of purchase the shares of Sulabh but also make a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 27
Trades of Mr. Sunil Kapoor

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Aviral Industries Limited	8	128,600.00
Kamta Prasad Pandey	2	3,642.25
Runicha Merchants Private Limited	7	372,060.00
Sanklap Vincom P Ltd	22	1,198,860.00
Signet Vinimay Private Limited	5	289,380.00
Spice Merchants Private Limited	60	5,027,284.70
Vasundhara Capital And Securities Ltd.	13	343,301.25
TOTAL	**117**	**7,363,128.20**

123. Therefore, I note that Noticees are connected with Mr. Subodh Agarwal and the company. Furthermore, I note that in in 63.7 % instances, the counterparty to the trades of the Noticee, Ms. Seema Kapoor is a Connected Noticee. Similarly, in 46% instances, the counterparty to the trades of the Noticee, Mr. Sanjay Kapoor, is a Connected Noticee. Further, in 35 % and 37% instances, the counterparty to the trades of Ms. Sapna Kapoor and Mr. Sunil Kapoor respectively, is a Connected Noticee. The WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that

without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case. Furthermore, I note that all the aforesaid Noticees were not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees.

124. The Noticees have relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

125. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor's connection with the company as shown above, they were able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticees, Ms. Seema Kapoor, Mr. Sanjay Kapoor, Ms. Sapna Kapoor and Mr. Sunil Kapoor have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

I. Role and trading of Mr. Vinay Kumar Agarwal

126. I note from Annexure 3 to the SCN that the Noticee, Mr. Vinay Kumar Agarwal had off market transaction with Scope Vyapar Private Limited/ Class Commercial Private Limited. The Noticee in his reply dated November 16, 2018 without disputing the alleged connection has stated that the off market transaction with Scope Vyapar Pvt. Ltd. has nothing to do with the transactions executed in the scrip of Sulabh. The Noticee has also stated that Scope Vyapar Pvt. Ltd is not a counterparty to any of his sell trades. I note that the Noticee has

not disputed that he had entered into off market transaction with Scope Vyapar Pvt. Ltd. without going through the Exchange platform. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note from the order dated September 03, 2020 that Scope Vyapar Pvt. Ltd. had several off market transactions with Sanklap Vincom Pvt. Ltd., Spice Merchants Private Limited., Signet Vinimay Pvt. Ltd., and Apex Commotrade Pvt. Ltd. which are Anil Khemka related companies, and in view of the same, Scope Vyapar Pvt. Ltd. was held to be connected with Anil Khemka. Although the Noticee did not have any trades with Scope Vyapar Pvt. Ltd., I note from Table no. 28 that the counterparty to the trades of the Noticee are Apex Commotrade Pvt. Ltd., Arise Dealcom Private Limited, Sanklap Vincom Pvt. Ltd., Spice Merchants Private Limited., Signet Vinimay Pvt. Ltd. and Winall Vinimay Private Limited which are all connected with Mr. Anil Khemka. The said companies have also been held to have manipulated the price of the scrip and created a misleading appearance of trading. Therefore, I note that Mr. Mr. Vinay Kumar Agarwal is connected with Mr. Anil Khemka. The WTM order at row no. 55 at page 51 has concluded that Mr. Anil Khemka and Mr. Subodh Agarwal are connected with each other. The aforesaid connections have been upheld by the Hon'ble SAT vide order dated April 29, 2022. In view of the above, I find that Mr. Vinay Kumar Agarwal is connected with Mr. Subodh Agarwal and the company.

127. I note that the Noticee, Mr. Vinay Kumar Agarwal purchased 70,000 shares at a value of Rs. 14,00,000/- (Rs. 10/- at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown paragraph no. 35 hereinabove. I note from the SCN and trade log that during Patch 2 of the Investigation Period, the Noticee, Mr. Vinay Kumar Agarwal entered into 804 trades of value, Rs. 13,27,93,024/-. Upon perusing the trade log, I note that 217 of these 804 trades i.e. 27 % trades were with other Connected Noticees as appearing in Table 28. I also note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 28
Trades of Mr. Vinay Kumar Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	18	3,848,900.00
Arise Dealcom Private Limited	1	516,250.00
Aviral Industries Limited	1	64,500.00
Bakliwal Vyapaar Private Limited	26	3,516,103.50
Girija Pandey	6	2,046,000.00
Jasmine Commodities Private Limited	15	1,548,750.00
Litmus Investments Limited	6	741,750.00
Rishabh Agarwal	4	327,200.00
Runicha Merchants Private Limited	7	1,102,130.00
Sanklap Vincom P Ltd	9	3,683,900.00
Signet Vinimay Private Limited	19	3,850,983.60
Spice Merchants Private Limited	99	5,678,301.00
Winall Vinimay Private Limited	6	3,087,893.75
TOTAL	**217**	**30,012,661.85**

128. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal and the company. Furthermore, the counterparty to the trades of the Noticee, Mr. Vinay Kumar Agarwal in 27.11 % instances is a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, Mr. Vinay Kumar Agarwal and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares after the lock-in period ends. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior meeting of minds can be proved which has been done in this case. Furthermore, I note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees.

129. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

130. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Vinay Kumar Agarwal's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Vinay Kumar Agarwal has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

J. Trading by Mr. Sanjeev Sanghi

131. I note from Annexure 3 to the SCN that Mr. Sanjeev Sanghi had off market transaction without going through the Exchange platform with Adinath Shares and Commodities Pvt. Ltd. The Noticee vide reply dated July 25, 2022 without refuting the allegation has stated that no details of the off market transaction have been shared. I note that an off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note that solely because the off market transaction took place in 2008 does not mean that the Noticee is not known to Adinath Shares and Commodities Pvt. Ltd. The Noticee in his reply dated July 25, 2022 has stated that the WTM vide order dated September 03, 2020 has dropped the allegation of connection of the Noticee with Adinath Shares and Commodities Pvt. Ltd. In this regard, I note that the Hon'ble SAT vide order dated April 29, 2022 has remanded the matter to the undersigned to re-decide the matter in the light of the observation made by the Tribunal after giving an opportunity of hearing. Therefore, I am unable to accept the contention of the said Noticee. The Noticee has also argued that Adinath Shares and Commodities Pvt Ltd is not made the party to the SCN and has cited

the order of the Hon'ble SAT in ***Kaushik Rajnikant Mehta* v. *SEBI***[18] wherein it was observed that if one of the entities who is not charged in the show cause notice is a link for synchronized trading then that charged cannot be proved. I note that the facts of the present case are different from the case cited above. I note that this is not a case of synchronized trading but one where the company, its promoter directors, connected Noticees and some of the preferential allottees have reached a tacit understanding to benefit after the Connected Noticees have manipulated the price of the scrip. I note from Annexure 3 that Adinath Shares and Commodities Pvt. Ltd. has common director with Anant Fin Consultancy Pvt Ltd which is a related entity of Subodh Agarwal. As stated hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM of SEBI and the same has been upheld by the Hon'ble SAT. Furthermore, I have perused the Trade Log and note that Adinath Shares and Commodities Pvt. Ltd. has not traded in the scrip of Sulabh during the Investigation Period except for executing one buy and one sell trade. On the other hand, from Table No. 29, I note that majority of the Noticee's trades have been with Vasundhara Capital and Securities Ltd. (174 trades), Aviral Industries Limited (172 trades) and Jasmine Commodities Private Limited (148 trades). I note that the said counterparties have been held to be connected with Mr. Subodh Agarwal and the company by the WTM vide order dated September 03, 2020. In view of the above, I find that Mr. Sanjeev Sanghi is connected with Mr. Subodh Agarwal and the company.

132. I note that the Noticee, Mr. Sanjeev Sanghi purchased 65,000 shares at a value of Rs.13,00,000/- (Rs. 10/- at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35 of this order. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Sanjeev Sanghi entered into 1257 trades of value, Rs. 4,02,63,874/- during Patch 2. Upon perusing the trade log, I note that of 560 of these 1257 trades i.e. 44.5 % trades were with other Connected Noticees as appearing in Table 29. I note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

[18] Supra Note at 11.

Table No. 29
Trades of Mr. Sanjeev Sanghi

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	17	788,815.00
Aviral Industries Limited	172	1,811,120.00
Jasmine Commodities Private Limited	148	1,094,375.00
Lark Commercial Private Limited	1	144,000.00
Lark Merchants Private Limited	2	454,560.00
Raj Vardhan Agarwal	4	327,440.00
Signet Vinimay Private Limited	5	409,400.00
Spice Merchants Private Limited	34	5,286,869.35
Vasundhara Capital And Securities Ltd.	174	487,500.00
Kapeeshwar Vintrade Private Limited	1	1,483.20
Winall Vinimay Private Limited Ltd	2	1,020,490.00
TOTAL	**560**	**11,826,052.55**

133. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal and the company. Furthermore, in 44.5 % instances, the counterparty to the trades of the Noticee was a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

134. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

135. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Sanjeev Sanghi's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Sanjeev Sanghi has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

K. Role and trading of Mr. Deepak Kumar Agarwal

136. I note from Annexure 3 to the SCN that Mr. Deepak Kumar Agarwal had entered into off market transaction without going through the Exchange platform with Scope Vyapar Private Limited (Class Commercial Private Limited). Mr. Sajan Kumar Agarwal in his reply dated June 13, 2018 without disputing the off market transaction stated that the said transaction has nothing to do with the transactions executed in the scrip of Sulabh. An off market transaction without going through the Exchange platform takes place when the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note from the order dated September 03, 2020 that Scope Vyapar Pvt. Ltd. had several off market transactions with Sanklap Vincom Pvt. Ltd., Spice Merchants Private Limited., Signet Vinimay Pvt. Ltd., and Apex Commotrade Pvt. Ltd. which are Anil Khemka related companies, and in view of the same, Scope Vyapar Pvt. Ltd. was held to be connected with Anil Khemka. Therefore, I note that Mr. Deepak Kumar Agarwal is connected with Mr. Anil Khemka. The WTM order at row no. 55 at page 51 has concluded that Mr. Anil Khemka and Mr. Subodh Agarwal are connected with each other. The aforesaid connections have been upheld by the Hon'ble SAT vide order dated April 29, 2022. In view of the above, I find that Mr. Deepak Kumar Agarwal is connected with Mr. Subodh Agarwal and the company.

137. I note that the Noticee, Mr. Deepak Kumar Agarwal purchased 70,000 shares at a value of Rs. 14,00,000/- (at premium of Rs. 20/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as observed in paragraph no. 35. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Deepak Kumar Agarwal entered into 191 trades of value, Rs. 3,54,26,408/- during Patch 2. Upon perusing the trade log, I note that 64 of these 191 trades i.e. 33.5 % trades were with other Connected Noticees as appearing in Table 30. I also note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 30
Trades of Mr. Deepak Kumar Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
KPK Fin Consultancy Private Limited	32	2,430,446.00
Sanklap Vincom P Ltd	2	1,109,300.00
Shreya Stocks And Shares P Ltd	5	1,051,400.00
SKM Travels Private Limited	3	1,031,000.00
Subodh Agarwal	16	1,585,677.00
Akhilesh Kumar Agnihotri	2	417,950.00
Rajesh Bhiani	3	430,200.00
Vijay Shree Bihani	1	38,218.00
TOTAL	**64**	**8,094,191.00**

138. Therefore, I note that the Noticee is connected with Mr. Subodh Agarwal and the company. Furthermore, in 33.5 % instances, the counterparty to the trades of the Noticee was a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil

of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

139. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

140. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Deepak Kumar Agarwal's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Deepak Kumar Agarwal has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

L. Trading by Mr. Sajan Kumar Agarwal

141. I note from Annexure 3 to the SCN that Mr. Sajan Kumar Agarwal had off market transaction without going through the Exchange platform with Litmus Investments Ltd. Mr. Sajan Kumar Agarwal in his reply dated June 13, 2018 without disputing the off market transaction stated that the said transaction has nothing to do with the transactions executed in the scrip of Sulabh. I note from the WTM order dated September 03, 2020 that the directors of Sulabh namely, Mr. Niranjan Swaroop Goel and his wife, Ms. Usha Goel, and Mr. Subodh Agarwal, were subscribers to the memorandum of association of Litmus Investments Ltd. The order also observes that Mr. Subodh Agarwal is the Director of Litmus Investments Ltd. Therefore, the same has been held to be connected to Mr. Subodh Agarwal and the company. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. In view of the above, I find that Mr. Sajan Kumar Agarwal is connected with Mr. Subodh Agarwal and the company.

142. I note that the Noticee, Mr. Sajan Kumar Agarwal purchased 75,000 shares at a value of Rs.15,00,000/- (Rs. 10/- at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Sajan Kumar Agarwal entered into 166 trades of value, Rs. 69,17,321/-. Upon perusing the trade log, I note that 117 of these 166 trades i.e. 70.48 % trades were with other Connected Noticees as appearing in Table 31. I note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 31
Trades of Mr. Sajan Kumar Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	6	1,147,800.00
Arunavo Mukherjee	3	957,600.00
Aviral Industries Limited	76	1,416,294.00
Jasmine Commodities Private Limited	15	161,750.00
Runicha Merchants Private Limited	2	80,875.00
Spice Merchants Private Limited	8	464,075.00
Surendra Kumar Agarwal	7	41,520.00
TOTAL	**117**	**4,269,914.00**

143. Therefore, I note that the Noticees is connected with Mr. Subodh Agarwal and the company. Furthermore, in 70 % instances, the counterparty to the trades of the Noticee was a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip and created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil

of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

144. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

145. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Sajan Kumar Agarwal's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Sajan Kumar Agarwal has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

M. Role and trading of Mr. Vivek Karwa

146. I note from Annexure 3 to the SCN that Mr. Vivek Karwa had off market transactions without going through the Exchange platform with Vasundhara Capital and Securities Ltd. In his reply dated August 17, 2018, the Noticee has submitted that he purchased the shares of Rich Capital & Finance Ltd. from Vasundhara Capital and Securities Ltd. in 2006. I note that Mr. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. As stated hereinabove, the Mr. Subodh Agarwal has been found to be part of the scheme orchestrated by the company to manipulate the price of the scrip and create a false and misleading appearance of trading therein by the WTM of SEBI vide order dated September 03, 3030 and the same has been upheld by the Hon'ble SAT vide order dated April 29, 2022. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note that solely because the off market transaction took place in

2006 does not mean that the Noticee is not known to Vasundhara Capital and Securities Ltd. In view of the above, I find that Mr. Vivek Karwa is connected with Mr. Subodh Agarwal and the company.

147. I note that the Noticee, Mr. Vivek Karwa purchased 70,000 shares at a value of Rs.14,00,000/- (Rs. 10/- at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak as shown in paragraph no. 35. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Vivek Karwa entered into 487 trades of value, Rs. 2,23,06,472/-. Upon perusing the trade log, I note that 29 of these 487 trades i.e. 6 % trades were with other Connected Noticees as appearing in Table 32. I also note that the Noticee was not only able to recover the cost of purchase the shares of Sulabh but also made a substantial profit through sale of shares to Connected Noticees. The details of such trades is provided below:

Table No. 32
Trades of Mr. Vivek Karwa

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
Apex Commotrade Private Limited	8	817,000.00
Shrishti E Systems Private Limited	4	586,905.00
Signet Vinimay Private Limited	2	204,250.00
SKM Travels Private Limit Ed	4	892,925.00
Spice Merchants Private Limited	8	499,300.00
Subodh Agarwal	3	169,575.00
TOTAL	**29**	**3,169,955.00**

148. I note that in addition to being connected with Mr. Subodh Agarwal and the company, in 6% instances, the counterparty to the trades of the Noticee was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT, shows that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticee, and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

149. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

150. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticee, Mr. Vivek Karwa's connection with the company as shown above, he was able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby he sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for his sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Vivek Karwa has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

N. Role and trading of Mr. Raj Kumar

151. I note from Annexure 3 to the SCN that the Noticee, Mr. Raj Kumar, is a director of Rodic Coffee Estates Private Limited i.e., subsidiary company of Sulabh. The Noticee in his reply dated January 16, 2018 has also not disputed the said allegation made in the SCN. In view of the above, I note that the Noticee, Mr. Raj Kumar is connected with the company.

152. I note that the Noticee, Mr. Raj Kumar purchased 70,000 shares at a value of Rs. 14,00,000/- (Rs. 10/- at premium of Rs. 10/-) through preferential allotment when the fundamentals of the company, Sulabh were weak. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Raj Kumar entered into 298 trades of value, Rs. 1,68,47,241/-. Upon perusing the trade log, I note that none of the said 298 trades were with other Connected Noticees who have been held liable for manipulating the price of the scrip. In view of the above, I note that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Raj Kumar is not established.

O. Role and trading of Mr. Shubham Agarwal and Mr. Ashish Agarwal

153. I note from Annexure 3 to the SCN and the Noticee, Mr. Shubham Agarwal's reply dated September 15, 2018 that the Noticee purchased 20,000 shares of Sulabh from Anant Fin Consultancy Private Limited on April 16, 2012 without going through the Exchange platform. Furthermore, Mr. Ashish Agarwal in his reply dated September 15, 2018 has admitted that he received 20,000 shares of Sulabh from Anant Fin Consultancy Private Limited on April 16, 2012 without going through the Exchange platform. An off market transaction without going through the Exchange platform takes place when the the buyer and the seller agree on the price and quantity and execute the transaction outside the market, therefore, there is a strong presumption that the parties to the transfers are known to each other. I note from the WTM order dated September 03, 2020 that Anant Fin Consultancy Pvt Limited has a common Director, Mr. Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. The order also observes that the director of Raghuvansh Agrofarms Ltd. is Mr. Subodh Agarwal, who is connected to the company and promoter directors. Further, Anant Fin Consultancy Pvt Limited also has a common Director (Mr. Dheeraj Agarwal) with a Promoter of Sulabh namely, Govind Mercantile Private Limited. In view of the above, it has been held that Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Therefore, I note that the Noticees, Mr. Shubham Agarwal and Mr. Ashish Agarwal are connected with Mr. Subodh Agarwal and the company.

154. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Ashish Agarwal entered into 29 trades of value, Rs. 34,42,770/- during Patch 2. Upon perusing the trade log, I note that of 9 of these 29 trades i.e. 31 % trades were with another Connected Noticee who have been held liable for manipulating the price of the scrip and create a misleading appearance of trading as shown in Table 33. The details of such trades is provided below:

Table No. 33
Trades of Mr. Ashish Agarwal

Details of Counterparty	**No. of trades with such counterparty**	**Value of trades with Counterparty**
SKM Travels Private Limited	9	1,938,000.00

155. I note from the SCN and trade log that during the Investigation Period, the Noticee, Mr. Shubham Agarwal entered into 39 trades of value, Rs. 44,97,450/-. I also note that the Noticees, Mr. Ashish Agarwal and Mr. Shubham Agarwal also have common address i.e. Flat No. 401, Ramnika Apartment, 7/186, Swaroop Nagar, Kanpur – 208 002 as noted from their SAT appeal no. 437 of 2020. Therefore, the trades of the Noticee ought to be considered together.

156. Therefore, I note that the Noticees are connected with Mr. Subodh Agarwal and the company. Furthermore, I note that in 31% instances, the counterparty to the trades of the Noticee, Mr. Ashish Agarwal is a Connected Noticee and the WTM at paragraph nos. 84 and 85 of the order dated September 03, 2020, quoted above, examined the role of the aforesaid Connected Noticees in Patch 2, and held that the said Connected Noticees have manipulated the price of the scrip created a misleading appearance of trading. The said observations of the WTM has also been upheld by the Hon'ble SAT. This clearly demonstrates that that there was a prior meeting of minds and a tacit understanding between the company, its promoter directors, the Noticees, Mr. Ashish Agarwal and Mr. Shubham Agarwal and the price manipulating Connected Noticees to inflate the price of the company and benefit through sale of shares. I also note that without the aid of the trades of the Noticees, the counterparty Connected Noticees would not have been able to manipulate the price and create a misleading appearance of trading in the scrip. As shown earlier, the veil of anonymity through screen based trading is lifted if prior of meeting of minds can be proved which has been done in this case.

157. The Noticee has relied on the orders of the Hon'ble SAT in the appeals cited at paragraph no. 46 of this order. However, for the reasons stated hereinabove, the facts of the present case are distinguishable from the facts of the said cases.

158. In view of the discussion in the preceding paragraphs, I note that by virtue of the Noticees', Mr. Ashish Agarwal and Mr. Shubham Agarwal's connection with the company as shown above, they were able to reach a tacit understanding with the company, its promoter directors, the price manipulating Connected Noticees whereby they sold shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. But for their

sell trades, the price manipulation and misleading appearance of trading in the scrip of Sulabh would not have happened. Therefore, I find that the Noticee, Mr. Ashish Agarwal and Mr. Shubham Agarwal has violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

159. The Noticees have relied on the following orders to show that SEBI has not passed adverse orders against Preferential Allottees who were not facing allegation of manipulation of price: (a) Mishka Finance and Trading Limited (Date of Order: October 05, 2017), (b) Moryo Industries Limited (Date of Order: October 05, 2017), (c) Radford Global Limited (Date of Order: October 05, 2017), (d) Eco Friendly Food Processing Park Limited (Date of Order: October 05, 2017) and (e) Pine Animation Limited (Date of Order: October 05, 2017). I have gone through the said orders and I note that in all the five matters, SEBI had conducted an examination into the dealings in the scrip of the said companies as there was huge rise in the traded volume and price of the scrip. Upon preliminary enquiry, SEBI ***prima facie*** observed that the company had made a preferential issue and after the completion of the lock in period the Preferential Allottees and the Promoter related entities were provided exit at a high price by the entities allegedly related/connected amongst themselves and with the company. In view of the same, SEBI had passed ad interim ex parte orders and restrained the said entities from accessing the securities market. However, upon completion of investigation by SEBI, investigation did not find any adverse evidence/ findings in respect of violation of provisions of PFUTP Regulations in respect of ***certain entities*** against whom directions were issued through interim orders. I note that in the present case, no ex-parte interim order was passed. Further, investigation found that the Noticees are connected with the company and based on their trading, there is proof of tacit understanding between the company and the said Noticees and pursuant to such understanding the Noticees sold the shares of Sulabh to counterparty connected Noticees who manipulated the price of the scrip. In view of the same, I note that the Noticees' reliance on the said orders of SEBI is misplaced.

160. Noticee nos. 2,3,5 to 7, 123 to 125, 127 to 139, 142, 143 and 145 to 150 have argued that as per the Investigation Report, 22 entities who also happen to be Preferential Allottees have not been made party to the present proceedings. The Noticees have argued that their

case is no different from the case of the said 22 entities, and this ground the present proceedings qua the Noticees are liable to be dropped.

161. I note that the Investigation Report (Annexure 12 to the SCN) has observed that since the DIT forwarded a reference *inter alia* alleging that the preferential allottees have generated bogus LTCG, the value of sale of shares by the 63 preferential allottees along with six entities that received more than 2000 shares (pre-split) from Anant Fin Consultancy (P) Ltd. or Mr. Subodh Agarwal is provided in the following table:

Table no. 34

Particulars	**Value of trade in INR**
43 entities – part of the connected entities	2,39,74,43,426
Other 26 entities	1,32,67,74,673
Grand Total (69 entities)	**3,72,42,18,099**

162. I note that the Investigation Report (Annexure 12 to SCN) at paragraph no. 15 notes that of the said 69 entities, 43 entities were a part of the connected entities and connection with the balance 26 entities was not established. I note that 22 of the said 26 entities were the Preferential Allottees of the company. I have examined the trade logs for the investigation period, and I observe that out of the remaining 31 Preferential Allottees who were not made Noticees to the present proceedings, 9 Allottees did not trade in the scrip of Sulabh during the investigation period. Out of the remaining 22 Preferential Allottees, I note that a similar analysis of trades with counterparties who are Connected Noticees has been done and is provided below in Table No. 35. From the said Table, it is observed that the percentage of trades with counterparties who are Connected Noticees of the said 22 Preferential Allottees ranges from 0.76% to 100%. However, the fact remains that although the said 22 Preferential Allottees made sale of shares worth Rs. 112 Crores collectively and some of these trades were with Connected Noticees, the Investigating Authority did not find any connection between them and the other Connected Noticees who have been eventually held liable for committing fraud and violating Regulation of 3 (a), (b), (c), (d), 4 (1) and 4 (2)(a), (b), (e) of the SEBI (PFUTP) Regulation, 2003 vide order dated September 03, 2020 which has also been upheld by the Hon'ble SAT vide order dated April 29, 2022. In view of the above, I note that Noticees except Noticee nos. 8, 124, 126 and 127 cannot be treated at par with the 22 Preferential Allottees who have not been made party to the present proceedings.

Table No. 35

Details of Preferential Allottees who have not been made Noticees to the present proceedings								
Sr. No.	**Preferential Allottees who have been exonerated at the satage of investigation**	**Qty. as per Allotment**	**Qty. of Shares Sold during Investigation Period**	**Amount (Rs.)**	**No. of trades with counter party Connected Noticee**	**Total No. of Trades**	**Value of trades with Counterparty Connected Noticee**	**Percentage of trades with Counterparty Connected Noticee**
1	Anand Bansal	65,000.00	-	-	0	0	-	0.00
2	Anand Maheshwari	125,000.00	-	-	0	0	-	0.00
3	Govind Mercantile Pvt. Ltd.	300,000.00	-	-	0	0	-	0.00
4	Madhu Rani Goenka	275,000.00	-	-	0	0	-	0.00
5	Manjeet Kaur	70,000.00	-	-	0	0	-	0.00
6	Navjot Singh	70,000.00	-	-	0	0	-	0.00
7	Rajni Gupta	275,000.00	-	-	0	0	-	0.00
8	Santosh Kumar Agarwal & Sons HUF	100,000.00	-	-	0	0	-	0.00
9	Sunita Maheshwari	125,000.00	-	-	0	0	-	0.00
10	Suman Kothari	75,000.00	165,050.00	20,987,565.00	2	263	219,150.00	0.76
11	Uma Shankar Dhandhania	100,000.00	141,789.00	16,791,482.80	20	304	178,226.55	6.58
12	Rekha Chawla	65,000.00	2,500.00	275,000.00	1	14	27,500.00	7.14
13	Jai Prakash Sharma	125,000.00	810,662.00	183,200,083.25	135	1434	5,966,458.05	9.41
14	Suman Kumar Sharma	70,000.00	193,739.00	17,542,633.05	21	218	1,427,300.00	9.63
15	Virendra Sharma	125,000.00	149,000.00	23,022,775.00	26	239	2,004,430.00	10.88
16	Shiv Kumar Sharma	125,000.00	131,000.00	21,039,625.00	27	182	2,041,168.00	14.84
17	Ashish Chaurasia HUF	135,000.00	489,234.00	109,168,178.00	34	207	15,013,267.55	16.43
18	Arun Chawla	125,000.00	47,200.00	4,432,280.00	77	404	691,900.00	19.06
19	Amit Agarwal	100,000.00	537,447.00	93,692,997.75	228	1138	21,833,295.90	20.04
20	Mayank Goel	100,000.00	205,750.00	31,464,702.45	402	1648	6,711,050.00	24.39
21	Ajai Kumar Singhal	70,000.00	60,700.00	10,322,350.50	19	76	3,930,050.00	25.00

22	Usha Tusian	135,000.00	651,429.00	111,885,804.40	211	833	19,976,385.70	25.33
23	Utkarsh Singh	65,000.00	74,331.00	15,150,516.25	54	205	3,764,204.00	26.34
24	Vinita Kejriwal	100,000.00	69,000.00	9,984,415.45	63	218	4,876,208.75	28.90
25	Harish Kumar Narang	135,000.00	1,335,000.00	298,130,065.00	732	2063	84,281,690.75	35.48
26	Siddharth Prakash Jaiswal	100,000.00	247,200.00	38,931,816.20	402	1115	18,711,954.60	36.05
27	Surinder Singh	70,000.00	81,593.00	15,925,099.55	170	283	7,121,829.00	60.07
28	Tarinder Singh	70,000.00	73,556.00	15,160,902.00	138	224	8,043,739.70	61.61
29	Akshay Agarwal	70,000.00	355,908.00	69,081,804.95	985	1588	27,937,396.85	62.03
30	Akhil Gupta	125,000.00	59,800.00	12,986,023.80	155	170	7,722,918.30	91.18
31	Surjit Singh	70,000.00	20,000.00	4,071,500.00	113	113	4,071,500.00	100.00
TOTAL		3,560,000.00	5,901,888.00	1,123,247,620.40				

163. The Noticees have also placed reliance on the trades of entities such as Mr. Harish Kumar Narang, Pragya Commodities Pvt. Ltd., Kanudia Capital and Management Services Pvt. Ltd., Mr. Ajay Kumar P Maroo, Mr. Lalit Tulshyan, Mr. Ashwani Bansal and Mr. Jayesh Kumar N. Joshi to state that the said entities have contributed higher LTP but the same have not been charged. I note that as stated in the preceding paragraph, investigation has not found any evidence to establish connection between them and the other Connected Noticees who have been eventually held liable for committing fraud and violating Regulation of 3 (a), (b), (c), (d), 4 (1) and 4 (2)(a), (b), (e) of the SEBI (PFUTP) Regulation, 2003. The Noticees have also stated that certain Noticees to the SCN namely, Ms. Bhawari Devi Jain, Mr. Ram Lubhaya Vohra, Mr. Ram Phir Dwivedi and Ms. Abha Dwivedi who have contributed Rs. 36.85 to the net positive LTP have been exonerated by the WTM vide order dated September 03, 2020. I note that WTM in the said order has observed that the basis of connection of the said Noticees drawn in the SCN are certain off market transactions which are subsequent to their trading, and therefore, by extending a benefit of doubt, observed that the said off market transaction cannot be an adequate basis for their connection with other Noticees in the scrip. Therefore, I find that the reliance of the Noticees on the trades of the said entities is misplaced.

164. The Noticees vide their post hearing submissions dated January 25, 2023 have stated that SEBI's Adjudication Officer in parallel proceedings before them arising out of the same cause of action disposed of the SCN vide order dated August 30, 2022 against certain Noticees who are also before me without any punitive action. I note from paragraph no. 113 of the said adjudication order that the same relies on the observations of the Hon'ble SAT at paragraph 59 of the order dated April 29, 2022. The same is reproduced as under:

> *"59…merely because these preferential allottees also received some shares from another entity in which Subodh Agarwal was a director does not make their trades tainted unless it is shown that they also traded for the purpose of increasing the price of the scrip. Merely by selling the shares does not manipulate the price of the scrip or become a part of the fraudulent scheme. Similarly, the connection drawn for Noticee No. 128, 130, 140 and 141 is too remote and cannot lead to a conclusion that these noticees are also part of the fraudulent scheme."*

165. The Hon'ble SAT, thereafter, in paragraph no. 60 based on the above observations directed that the case of the preferential allottees is required to be considered afresh and remitted the matter to re-decide it in light of the Tribunal's observations. Pursuant to the directions of the Hon'ble SAT, the Noticees were granted an opportunity of hearing, and after considering the material available before me, this order is being passed. Therefore, I note that the decision in the adjudication order will not affect the present proceedings.

166. At this stage, I find it pertinent to note the following observations of the Hon'ble Supreme Court in ***SEBI* v. *Kanaiyalal Baldev Bhai Patel***[19]:

> *50. The definition of 'fraud', which is an inclusive definition and, therefore, has to be understood to be broad and expansive, contemplates even an action or omission, as may be committed, even without any deceit if such act or omission has the effect of inducing another person to deal in securities. Certainly, the definition expands beyond what can be normally understood to be a 'fraudulent act' or a conduct amounting to 'fraud'. The emphasis is on the act of inducement and the scrutiny must, therefore, be on the meaning that must be attributed to the word "induce".*
>
> *51. The dictionary meaning of the word "induced" may now be taken note of.*

[19] (2018) 13 SCC 753, MANU/SC/1188/2017.

> *BLACK'S LAW DICTIONARY, EIGHTH EDITION, defines 'inducement' as "the act or process of enticing or persuading another person to take a certain course of action."*
>
> *Merriam-Webster Dictionary defines 'inducement' as "a motive or consideration that leads one to action or to additional or more effective actions.*
>
> *52. A person can be said to have induced another person to act in a particular way or not to act in a particular way if on the basis of facts and statements made by the first person the second person commits an act or omits to perform any particular act. The test to determine whether the second person had been induced to act in the manner he did or not to act in the manner that he proposed, is whether but for the representation of the facts made by the first person, the latter would not have acted in the manner he did. This is also how the word inducement is understood in criminal law. 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****.*

167. From the aforesaid, it is noted that in order to attract the charge of "fraud", the act so committed by the Noticees should have the effect of inducing investors into dealing in the securities. Regulation 3 of the PFUTP Regulations prevents employing any device, scheme or artifice in connection with dealing with or issuance of securities. It also prevents engaging in any acts or course of business which operates as fraud or deceit upon any one in connection with dealing in or issuance of the securities.

168. Furthermore, Regulation 4(1) of PFUTP Regulations prohibits unfair trade practices in securities. Sub- Regulation (2) of Regulation 4 enumerates different situations in which dealing in securities can be deemed to be a fraudulent or an unfair trade practice. In this regard, the Hon'ble Supreme Court in ***SEBI* v. *Kanaiyalal Baldev Bhai Patel***[20] observed that a trade practice may be deemed "unfair" if it undermines good faith dealings between the parties engaged in the business transactions. The Court also observed that whether an

[20] (2018) 13 SCC 753, MANU/SC/1188/2017.

act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction.

169. In the present case, the company had come out with two preferential allotments. Thereafter, the price of the scrip was artificially manipulated by Promoter Directors and Connected Noticees including the Preferential Allottees which was facilitated by the fact that substantial shares were controlled by the Promoter Directors and Connected Noticees. These acts of preferential allotments, price manipulation and subsequently selling substantial shares, constitutes a scheme. The company, Promoter Directors and Connected Noticees including the Preferential Allottees played their respective roles in order to constitute the above scheme to operate as fraud in connection with dealing in securities which undermined the integrity of the trading system of the Exchange by hampering the price discovery. The various stages of the scheme have in effect resulted in inducing the investors to trade in its scrip, for instance announcement of two preferential allotments by the company in successive years at a premium created a positive sentiment for the company, Connected Noticees by trading in a specific manner artificially increased the price and lured the investors. The scheme not only operated as a fraud on the market but is also an unfair trade practice as it undermines the transparent and good faith dealings between the parties involved. Ordinarily, the trading would have taken place between anonymous parties and the price would have been determined by the market forces of demand and supply. In view of the above, I find that the following Noticees have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations:

Sr. No.	**Noticee no.**	**Name of the Noticee**
1.	Noticee no. 2	Ms. Divya Agarwal
2.	Noticee no. 3	Ms. Geeta Mishra
3.	Noticee no. 5	Mr. Sanjay Kumar
4.	Noticee no. 6	Mr. Pranveer Singh
5.	Noticee no. 7	Mr. Praveen Kumar Mishra
6.	Noticee no. 123	Mr. Manoj Agarwal
7.	Noticee no. 125	Mr. Vinay Kumar Agarwal
8.	Noticee no. 128	Ms. Mridula Agrawal
9.	Noticee no. 129	Mr. Narender Kumar
10.	Noticee no. 130	Ms. Manisha Sharma
11.	Noticee no. 131	Ms. Seema Kapoor

12.	Noticee no. 132	Mr. Sanjeev Sanghi
13.	Noticee no. 133	Mahabir Persad HUF
14.	Noticee no. 134	Mr. Deepak Kumar Agarwal
15.	Noticee no. 135	Mr. Sanjay Kapoor
16.	Noticee no. 136	Ms. Sapna Kapoor
17.	Noticee no. 137	Mr. Sunil Kapoor
18.	Noticee no. 138	Mr. Ashok Kumar Maheshwari
19.	Noticee no. 139	Mr. Vivek Karwa
20.	Noticee no. 142	Sanjay Kumar HUF
21.	Noticee no. 143	Arun Kumar HUF
22.	Noticee no. 145	Mr. Manish Maheshwari
23.	Noticee no. 146	Ms. Mahak Maheshwari
24.	Noticee no. 147	Mr. Sajan Kumar Agarwal
25.	Noticee no. 148	Narender Kumar HUF
26.	Noticee no. 149	Mr. Shubham Agarwal
27.	Noticee no. 150	Mr. Ashish Agarwal

P. Submissions of Mr. Surendra Kumar Gupta and Mr. Som Prakash Goenka

Submissions of Mr. Surendra Kumar Gupta

170. I note from Annexure 3 to the SCN that the Noticee, Mr. Surendra Kumar Gupta shares common mobile number 9935555552 with the promoter of Sulabh, namely. Mr. Manoj Kumar Agarwal. The Noticee in his submission dated March 12, 2019 has stated that he does not share the aforesaid mobile number with Mr. Manoj Kumar Agarwal. In support of the same, the Noticee purportedly has provided a copy of his client registration form with Golden Stock Brokers Pvt. Ltd. as Annexure 1 and a copy of the Client Master Report as uploaded by DP Stock Holding Corporation of India Ltd. as Annexure 2. I have perused the said client registration form which I note is barely legible and which appears to be that of HDFC Bank as opposed to Golden Stock Brokers Pvt. Ltd., as stated by the Noticee in his reply. I also note that the Client Master Report does not contain the Noticee's mobile number which would show that the same is different from that of Mr. Manoj Agarwal. Having noted the same, I also observe that the SCN or Annexure 3 to the SCN do not contain any supporting documents to show that the Mr. Surendra Kumar Gupta shares common mobile number 9935555552 with the promoter of Sulabh, namely. Mr. Manoj

Kumar Agarwal. Therefore, I note that the Noticee cannot be said to be connected with Mr. Manoj Kumar Agarwal and the company.

171. I note that the Noticee has traded during Patch 1B and Patch 2 and reaped a profit of Rs. 20,59,37,509/-. Furthermore, in 37.3% instances, the counterparty to the trades of the Noticee was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT.

172. However, in view of the fact that connection of the Noticee, Mr. Surendra Kumar Gupta with the company/ is not established, I note that the Noticee ought to be treated in a similar manner as the 22 Preferential Allottees who have not been made party to the present proceedings. In view of the above, I note that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Surendra Kumar Gupta is not established.

Submissions of Mr. Som Prakash Goenka

173. I note from Annexure 3 to the SCN that the Noticee, Mr. Som Prakash Goenka shares common mobile number 9935555552 with the promoter of Sulabh, namely. Mr. Manoj Kumar Agarwal. The Noticee in his submission dated February 27, 2019 has stated that he does not share the aforesaid mobile number with Mr. Manoj Kumar Agarwal. In support of the same, the Noticee purportedly has provided a copy of his KYC Application form as Annexure 1 and a copy of the Client Master Report as uploaded by DP Master Capital Services Ltd. as Annexure 2. I have perused the said Client Master Report and note that the same contains the Noticee's mobile number as "983908****" which would show that the same is different from that of Mr. Manoj Agarwal. Having noted the same, I also observe that the SCN or Annexure 3 to the SCN do not contain any supporting documents to show that the Mr. Surendra Kumar Gupta shares common mobile number 9935555552 with the promoter of Sulabh, namely. Mr. Manoj Kumar Agarwal. Therefore, I note that the Noticee cannot be said to be connected with Mr. Manoj Kumar Agarwal and the company.

174. I note that the Noticee has traded during Patch 2 and reaped a profit of Rs. 12,59,13,911/-. Furthermore, in 9% instances, the counterparty to the trades of the Noticee was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT.

175. However, in view of the fact that connection of the Noticee, Mr. Som Prakash Goenka with the company/ is not established, I note that the Noticee ought to be treated in a similar manner as the 22 Preferential Allottees who have not been made party to the present proceedings. In view of the above, I note that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Surendra Kumar Gupta is not established.

Q. Submissions of Mr. Praveen Kurele and Mr. Naveen Kurele

176. I note that the WTM at paragraph 24 of the order dated September 03, 2020 has observed as under:

> *"24. .... Before proceeding further, I would like to note that where the connection between the entities is on the basis of off market transfer, the said off market transfer being carried out directly between the parties without going through the anonymous trading platform of the Exchanges, shows that the entities involved in the said transfer are known to each other. However, in the facts and circumstances of the case, what is also more impotant is the fact whether the off market transfer has taken place prior to execution of the trades of the entity in Sulabh (impugned trades). In other words, any off market transfer which is the basis of connection between entities, if has taken place subsequent to the execution of trades of the entity in the scrip of Sulabh, unless existence of other circumstances indicate otherwise, will not be considered relevant in the given matter."*

177. Based on the aforesaid reasoning, the WTM has examined the case of 37 Noticees and observed that since the off market transfers of the said Noticees is subsequent to their trading, a benefit of doubt can be given to them and the said off market transaction cannot be an adequate basis for their connection with the Group / other Connected Noticees in the

scrip. I note that a consistent approach needs to be adopted while examining the connection of the following Preferential Allottees/ Noticees:

(a) *Mr. Praveen Kurele:*

(i) I note from Annexure 3 to the SCN that apart from being a preferential allottee, the Noticee has been alleged to be connected to the company through off market transactions with Anant Fin Consultancy Private Limited. Anant Fin Consultancy Pvt. Ltd. has a common Director, Mr. Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. The director of Raghuvansh Agrofarms Ltd. is Mr. Subodh Agarwal, who is also held to be connected to the company and PDs. Further, Anant Fin Consultancy Pvt. Ltd. has a common Director with a promoter of Sulabh namely, Govind Mercantile Pvt. Ltd. (Dheeraj Agarwal). In view of the same, Anant Fin Consultancy Pvt. Ltd. is held to be connected with Subodh Agarwal and the company.

(ii) I note from the reply dated June 11, 2018 of the Noticee, Mr. Praveen Kurele that the said shares of Anant Fin Consultancy Pvt. Ltd. have been purchased in September 2014 i.e. subsequent to the Investigation Period. In view of the same, I note that a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for his connection with the Group / other Noticees in the scrip.

(iii) I note that the Noticee has traded during Patch 2 and reaped a profit of Rs. 14,34,13,767/-. Furthermore, in 28.45% instances, the counterparty to the trades of the Noticee was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT.

(iv) However, in view of the fact that connection of the Noticee, Mr. Praveen Kurele with the company/ Mr. Subodh Agarwal/ Mr. Anil Khemka is not established, I note that the Noticee ought to be treated in a similar manner as the 22 Preferential Allottees who have not been made party to the present proceedings. In view of the above, I note that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Praveen Kurele is not established.

(b) ***Ms. Naveen Kurele:***

(i) I note from Annexure 3 to the SCN that apart from being a preferential allottee, the Noticee has been alleged to be connected to the company through off market transactions with Anant Fin Consultancy Private Limited. Anant Fin Consultancy Pvt. Ltd. has a common Director, Mr. Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. The director of Raghuvansh Agrofarms Ltd. is Mr. Subodh Agarwal, who is also held to be connected to the company and PDs. Further, Anant Fin Consultancy Pvt. Ltd. has a common Director with a promoter of Sulabh namely, Govind Mercantile Pvt. Ltd. (Dheeraj Agarwal). In view of the same, Anant Fin Consultancy Pvt. Ltd. is held to be connected with Subodh Agarwal and the company.

(ii) I note from the reply dated June 11, 2018 of the Noticee, Mr. Naveen Kurele that the said shares of Anant Fin Consultancy Pvt. Ltd. have been purchased in September 2014 i.e. subsequent to the Investigation Period. In view of the same, I note that a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for his connection with the Group / other Noticees in the scrip.

(iii) I note that the Noticee has traded during Patch 2 and reaped a profit of Rs. 9,89,98,322/-. Furthermore, in 49.03% instances, the counterparty to the trades of the Noticee was a Connected Noticee who have been held liable for manipulating the price of the scrip and creating a misleading appearance of trading in the scrip, especially when such finding upheld by the Hon'ble SAT.

(iv) However, in view of the fact that connection of the Noticee, Mr. Naveen Kurele with the company/ Mr. Subodh Agarwal/ Mr. Anil Khemka is not established, I note that the Noticee ought to be treated in a similar manner as the 22 Preferential Allottees who have not been made party to the present proceedings. In view of the above, I note that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Naveen Kurele is not established.

DIRECTIONS:

178. In the facts and circumstances of the case and considering the fact the Noticees have already undergone a debarment period of 19 months pursuant to order dated September 03, 2020 passed by the Whole Time Member of SEBI, I, in exercise of the powers conferred upon me in terms of Section 19 read with Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992, hereby issue the following directions:

A. The Noticees mentioned in the table below are hereby restrained from accessing the securities market for a period of three (3) years from the date of this order and are also prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the same period, from the date of this order. 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 Noticees shall remain frozen.

Sr. No.	**Noticee no.**	**Name of the Noticee**	**PAN**
1.	Noticee no. 2	Ms. Divya Agarwal	ACUPG5212E
2.	Noticee no. 3	Ms. Geeta Mishra	AICPM8816G
3.	Noticee no. 5	Mr. Sanjay Kumar	AARPS2632K
4.	Noticee no. 6	Mr. Pranveer Singh	AGIPS4486N
5.	Noticee no. 7	Mr. Praveen Kumar Mishra	AFYPM1852K
6.	Noticee no. 123	Mr. Manoj Agarwal	ABBPA2306H
7.	Noticee no. 125	Mr. Vinay Kumar Agarwal	ACAPA3335N
8.	Noticee no. 128	Ms. Mridula Agrawal	ACBPA5048D
9.	Noticee no. 129	Mr. Narender Kumar	AARPS2630M
10.	Noticee no. 130	Ms. Manisha Sharma	BATPS3099D
11.	Noticee no. 131	Ms. Seema Kapoor	AERPK1243A
12.	Noticee no. 132	Mr. Sanjeev Sanghi	ABTPS2464C
13.	Noticee no. 133	Mahabir Persad HUF	AAEHM5783L
14.	Noticee no. 134	Mr. Deepak Kumar Agarwal	ABSPA2276K
15.	Noticee no. 135	Mr. Sanjay Kapoor	AGCPK3754D
16.	Noticee no. 136	Ms. Sapna Kapoor	ACQPK3632A
17.	Noticee no. 137	Mr. Sunil Kapoor	AGCPK3755C
18.	Noticee no. 138	Mr. Ashok Kumar Maheshwari	AARPM1903H
19.	Noticee no. 142	Sanjay Kumar HUF	AAQHS9987L
20.	Noticee no. 143	Arun Kumar HUF	AAIHA4621B
21.	Noticee no. 145	Mr. Manish Maheshwari	AGRPM7399D
22.	Noticee no. 146	Ms. Mahak Maheshwari	AKKPM2866N
23.	Noticee no. 147	Mr. Sajan Kumar Agarwal	AAKPA5957G
24.	Noticee no. 148	Narender Kumar HUF	AAEHN5960N

B. Keeping in view the quantum of the trades of the Noticees with Counterparty Connected Noticees, I am of the opinion that the debarment period of 19 months undergone by the Noticees, pursuant to order dated September 03, 2020 passed by the Whole Time Member of SEBI, is commensurate and no further directions are warranted against the following Noticees:

Sr. No.	**Noticee no.**	**Name of the Noticee**	**PAN**
1.	Noticee no. 139	Mr. Vivek Karwa	AJLPK0941J
2.	Noticee no. 149	Mr. Shubham Agarwal	AYXPA3158N
3.	Noticee no. 150	Mr. Ashish Agarwal	AIBPA5454B

C. In the facts and circumstances of the case, I hereby dispose of the show cause notice dated July 31, 2017 issued to Noticees mentioned in the table below:

Sr. No.	**Noticee no.**	**Name of the Noticee**	**PAN**
1.	Noticee no. 8	Mr. Surendra Kumar Gupta	AAQPG0240E
2.	Noticee no. 124	Mr. Praveen Kurele	ADKPK9580A
3.	Noticee no. 126	Mr. Som Prakash Goenka	AAQPG0238C
4.	Noticee no. 127	Mr. Naveen Kurele	AGUPK5822A
5.	Noticee no. 144	Mr. Raj Kumar	AHAPK7548Q

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

180. 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.

181. This order is without prejudice to any other actions that SEBI may take in accordance with securities laws.

DATE: JANUARY 27, 2023
PLACE: MUMBAI

Sd/-
DR. ANITHA ANOOP
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

QJA/AA/IVD/ID4/23624/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA

CORRIGENDUM

CORRIGENDUM TO THE ORDER DATED JANUARY 27, 2023 BEARING REFERENCE NUMBER QJA/AA/IVD/ID4/23144/2022-23 IN THE MATTER OF SULABH ENGINEERS & SERVICES LIMITED UNDER SECTIONS 11(1), 11 (4) AND 11B (1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

1. The Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") passed order bearing reference no. QJA/AA/IVD/ID4/23144/2022-23 (hereinafter referred to as "**Order**") dated January 27, 2023 in the matter of Sulabh Engineers & Services Limited.

2. The Authorized Representative of Mr. Deepak Kumar Agarwal, Noticee no. 134, vide email dated February 02, 2023, has brought to the notice of the undersigned that at paragraph no. 136 of the Order, while examining the role of Mr. Deepak Kumar Agarwal inadvertent reference has been made to the reply of Mr. Sajan Kumar Agarwal, instead of that of Mr. Deepak Kumar Agarwal.

3. In view of the above error, paragraph nos. 136 and 140 of the Order may be read as under:

136. I note from Annexure 3 to the SCN that Mr. Deepak Kumar Agarwal had entered into off market transaction without going through the Exchange platform with Scope Vyapar Private Limited (Class Commercial Private Limited). However, I note that the SCN or the Annexure 3 to the SCN do not contain any supporting documents to show that Mr. Deepak Kumar Agarwal had entered into the said off market transaction with Scope Vyapar Private Limited (Class Commercial Private Limited).

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140. However, in view of the fact that connection of the Noticee, Mr. Deepak Kumar Agarwal with the company is not established, I note that the Noticee ought to be treated in a similar manner as the 22 Preferential Allottees who have not been made party to the present proceedings. In view of the above, I note that the charge of

violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Noticee, Mr. Deepak Kumar Agarwal is not established.

178.

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C. In the facts and circumstances of the case, I hereby dispose of the show cause notice dated July 31, 2017 issued to Noticees mentioned in the table below:

Sr. No.	***Noticee no.***	***Name of the Noticee***	***PAN***
1.	*Noticee no. 8*	*Mr. Surendra Kumar Gupta*	*AAQPG0240E*
2.	*Noticee no. 124*	*Mr. Praveen Kurele*	*ADKPK9580A*
3.	*Noticee no. 126*	*Mr. Som Prakash Goenka*	*AAQPG0238C*
4.	*Noticee no. 127*	*Mr. Naveen Kurele*	*AGUPK5822A*
5.	*Noticee no. 144*	*Mr. Raj Kumar*	*AHAPK7548Q*
6.	***Noticee no. 134***	***Mr. Deepak Kumar Agarwal***	***ABSPA2276K***

4. Further, the observations against Mr. Deepak Kumar Agarwal at paragraph nos. 138 and 139 of the Order shall stand deleted. The name of the Noticee, Mr. Deepak Kumar Agarwal at sr. no. 14 in the Tables appearing in paragraph nos. 169 and 178 (A) shall also stand deleted.

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

6. 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.

7. The Order dated January 27, 2023 bearing reference number QJA/AA/IVD/ID4/23144/2022-23 shall always be read along with this Corrigendum.

Sd/-
DR. ANITHA ANOOP
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date: February 08, 2023
Place: Mumbai