

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Order Reserved: 05.8.2021**  
**Date of Decision:12.8.2021**

**Misc. Application No.219 of 2019**  
**And**  
**Misc. Application No.150 of 2019**  
**And**  
**Appeal No.150 of 2019**

Mr. Baldevsinh Vijaysinh Zala  
Dat Nivas,  
7, Station Plot, Gondal-360 311  
Dist. Rajkot, Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. J. J. Bhatt, Advocate with Ms. Rinku Valanju, Mr. Pratham Masurekar, Ms. Hetal Joshi, Mr. Aditya Shah, Advocates i/b. R V Legal for the Appellant.

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With**  
**Misc. Application No.170 of 2019**  
**And**  
**Appeal No.116 of 2019**

Mr. Paresh Chamanlal Doshi  
Kusum Villa  
15/3, Junction Plot,  
Rajkot-360 001, Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,

G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Nikhil S. Udeshi, Advocate for the Appellant.

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.172 of 2019  
And  
Appeal No.117 of 2019**

Mr. Jagdish Gordhandas Ved  
402, Siddhi Vinayak,  
6/11, Jagnath Plot,  
Rajkot-360001, Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Nikhil S. Udeshi, Advocate for the Appellant.

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.190 of 2019  
And  
Appeal No.125 of 2019**

Mr. Manish Kanakshi Ashar  
193, V.P. Road, Lalji Dayal Building,  
1<sup>st</sup> Floor, Flat No.18/19,  
Mumbai – 400004.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,

Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.191 of 2019  
And  
Appeal No.126 of 2019**

Mrs. Bhavna Manish Ashar  
193, V.P. Lalji Dayal Building,  
1<sup>st</sup> Floor, Flat No.18/19,  
Mumbai – 400004.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.192 of 2019  
And  
Appeal No.127 of 2019**

Mr. Ashwin Prabhudas Ruparel  
C/3, Nirali Apartments,  
Opp. Vastrapur Railway Stn.  
Vejalpur, Ahmedabad-380051  
Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,

Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.193 of 2019  
And  
Appeal No.128 of 2019**

Mr. Pradeep Syamsunder Swain  
3, SadguruVatika, Maruti Nagar,  
Airport Road, Rajkot – 360001  
Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.194 of 2019  
And  
Appeal No.129 of 2019**

Mr. Shailesh Mulraj Ved  
45, G K Bhatia Building,  
Room No.17, 2<sup>nd</sup> Floor,  
Vitthaldas Rd., Mumbai – 400002.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.195 of 2019  
And  
Appeal No.130 of 2019**

Mr. Bhavik Amrutlal Vaza  
8, Samardeep Yoginagar,  
Gondal-360311, Gujarat. ...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051. ...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.196 of 2019  
And  
Appeal No.131 of 2019**

Mr. Haresh Lalitbhai Tejani  
Niraj Apartment, Ground Floor,  
22, New Jagnath Plot, Near  
Mahakali Temple, Rajkot-360001  
Gujarat. ...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051. ...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.197 of 2019  
And  
Appeal No.132 of 2019**

Mr. Hemanshu P. Mehta  
7, Balbhadra CHS, Shiv Sena Lane,  
Bhayandar (West), Thane – 401101.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.284 of 2019  
And  
Appeal No.226 of 2019**

Ms. Sonal Kanaksingh Ashar  
1<sup>st</sup> Floor, K.N. Bhatia Building,  
151, Rajaram Road, Mumbai- 400 004.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. J.J. Bhatt, Advocate with Ms. Rinku Valanju, Mr. Pratham Masurekar, Ms. Hetal Joshi and Mr. Aditya Shah, Advocates i/b. R.V. Legal for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.130 of 2020  
And  
Appeal No.133 of 2020**

Amrut Dredging & Shipping Ltd.  
(Formerly known as Amrut Securities Ltd.)  
Ground Floor, Musa Building,  
Plot No.34, Hirachand Marg,  
Ballard Estate, Mumbai – 400035. ...Appellant

Versus

Adjudicating Officer  
Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051. ...Respondent

Mr. J.J. Bhatt, Advocate with Ms. Rinku Valanju, Mr. Pratham Masurekar, Ms. Hetal Joshi and Mr. Aditya Shah, Advocates i/b. R.V. Legal for the Appellant

Mr. Pradeep Sancheti, Senior Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.641 of 2021  
And  
Misc. Application No.642 of 2021  
And  
Misc. Application No.643 of 2021  
And  
Appeal No.450 of 2021**

Mr. Baldevsinh Vijaysinh Zala  
Dat Nivas,  
7, Station Plot, Gondal,

Dist. Rajkot, Gujarat-360 311.

...Appellant

Versus

Adjudicating Officer  
Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. J.J. Bhatt, Advocate i/b. Ms. Hetal Joshi, Advocate i/b. R.V.  
Legal for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia  
and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With**  
**Misc. Application No.644 of 2021**  
**And**  
**Misc. Application No.645 of 2021**  
**And**  
**Misc. Application No.646 of 2021**  
**And**  
**Appeal No.451 of 2021**

Mr. Bhavik Amrutlal Vaza  
8, Samardeep Yoginagar,  
Gondal-360311, Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia  
and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With**  
**Misc. Application No.647 of 2021**  
**And**  
**Misc. Application No.648 of 2021**  
**And**



**Misc. Application No.649 of 2021  
And  
Appeal No.452 of 2021**

Mr. Shailesh Mulraj Ved  
45, G K Bhatia Building,  
Room No.17, 2<sup>nd</sup> Floor,  
Vitthaladas Rd., Mumbai – 400002. ...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051. ...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia  
and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With  
Misc. Application No.650 of 2021  
And  
Misc. Application No.651 of 2021  
And  
Misc. Application No.652 of 2021  
And  
Appeal No.453 of 2021**

Mr. Pradeep Syamsunder Swain  
3, Sadguru Vatika, Maruti Nagar,  
Airport Road, Rajkot – 360001  
Gujarat. ...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051. ...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia  
and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With  
Misc. Application No.653 of 2021  
And  
Misc. Application No.654 of 2021  
And  
Misc. Application No.655 of 2021  
And  
Appeal No.454 of 2021**

Mr. Haresh Lalitbhai Tejani  
Niraj Apartment, Ground Floor,  
22, New Jagnath Plot, Near  
Mahakali Temple, Rajkot-360001  
Gujarat.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia  
and Mr. Karthik Narayan, Advocates i/b ELP for the Respondent.

**With  
Misc. Application No.656 of 2021  
And  
Misc. Application No.657 of 2021  
And  
Misc. Application No.658 of 2021  
And  
Appeal No.455 of 2021**

Mrs. Bhavna Manish Ashar  
193, V.P. Lalji Dayal Building,  
1<sup>st</sup> Floor, Flat No.18/19,  
Mumbai – 400004.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.659 of 2021  
And  
Misc. Application No.660 of 2021  
And  
Misc. Application No.661 of 2021  
And  
Appeal No.456 of 2021**

Mr. Manish Kanakshi Ashar  
193, V.P. Road, Lalji Dayal Building,  
1<sup>st</sup> Floor, Flat No.18/19,  
Mumbai – 400004.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

**With  
Misc. Application No.662 of 2021  
And  
Misc. Application No.663 of 2021  
And  
Misc. Application No.664 of 2021  
And  
Appeal No.457 of 2021**

Mr. Hemanshu P. Mehta  
7, Balbhadra CHS, Shiv Sena Lane,  
Bhayandar (West), Thane – 401101.

...Appellant

Versus

Securities and Exchange Board of India  
SEBI Bhavan, C-4A,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

...Respondent

Mr. Shailesh Kumar, Advocate for the Appellant

Mr. Sumit Rai, Advocate with Mr. Abhiraj Arora, Ms. Rashi Dalmia and Mr. Karthik Narayan, Advocates i/b. ELP for the Respondent.

CORAM: Justice Tarun Agarwala, Presiding Officer  
Justice M.T. Joshi, Judicial Member

Per: Justice Tarun Agarwala, Presiding Officer

1. For the reasons stated in the applications, the delay in the filing of the appeals are condoned. All the misc. application for condonation of delay are allowed.
2. There are two sets of appeals. The first set of appeals is against the order dated 31<sup>st</sup> December, 2018 passed by the Whole Time Member ('WTM' for short) whereby the noticees were held to have made unlawful gains of Rs.1,60,76,904 and were therefore directed to disgorge the said amount alongwith simple interest @12% per annum. The second set is against the order of the Adjudicating Officer ('AO' for short) dated 24<sup>th</sup> January, 2020 whereby penalty has been imposed for

violation of Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'). Since the facts and the issues are common, all these appeals are being decided together. For facility, the facts stated in appeal no.150 of 2019 are being taken into consideration.

3. Investigation was conducted in the trading activities of certain entities in the scrip of Sarang Chemicals Ltd. wherein it was found that eight crores shares were traded in the scrip of the Company during the period from 3<sup>rd</sup> January, 2011 to 8<sup>th</sup> June, 2011. Pursuant to the investigation, a show cause notice dated 19<sup>th</sup> May, 2016 was issued to 13 out of 21 entities alleging that the group traded amongst themselves which created artificial volumes and misleading appearance in trading in the scrip of the Company thereby increasing the price of the scrip from Rs.0.31/- to Rs.0.90/-. Not only that, these 13 entities offloaded their shares at an

increased price and made an unlawful gain of Rs.1.60 crores.

4. It was alleged that the noticee nos.1 to 5 were instrumental in creating artificial volume and misleading appearance of trading and manipulated the price of the scrip and offloaded the shares at increased price and thereby violated Regulations 3 and 4 of the PFUTP Regulations. Similarly, noticee nos.6 to 10 were instrumental in price manipulation and were offloading the shares at increased prices. Further, noticee nos.11 to 13 were charged with offloading the shares at increased prices thereby making unlawful gains. All the appellants who were noticees before the WTM's order filed their replies contending that there was an inordinate delay in the issuance of the show cause notice. It was contended that the trades were executed in the year 2011 and that the show cause notice was issued after five years in the year 2016 and, therefore, no disgorgement can be made at this belated stage. It was further contended that the purchases were

made by the appellants as a prudent investor on account of announcement being made by the Company on its website with regard to its expansion plans. It was further contended that there is no connection with the group of entities and that all the noticees were acting in their individual capacity on a standalone basis. It was further alleged that they had purchased and sold the shares in the year 2009, 2010 and 2011. Further, the scrip of the Company was in 'T' group wherein the price is controlled by the Stock Exchange and, therefore, there cannot be any manipulation in the price of the scrip by the noticees. It was also contended that the charge of disgorgement was wholly unwarranted.

5. After considering the material evidence on record, the WTM held that due to various procedures involved in the investigation and a large number of entities being involved as well as the complexity of connections there was no inordinate delay in the issuance of the show cause notice. The WTM in para

17.1 found that 21 group entities including the appellants were connected with each other. The WTM further found that the noticees traded amongst themselves which resulted in the creation of artificial volume and misleading appearance of trading in the scrip. In para 18.6, the WTM noted that one of the noticee Mr. Baldevsinh Vijaysinh Zala who is also an appellant before us was shown to have traded with another noticee Mr. Ashwinbhai Prabhudas Ruparel and, therefore, came to a conclusion that all the noticees were trading amongst themselves. In para 21, the WTM came to the conclusion that 16 entities traded amongst themselves and contributed to a positive impact in the price of the scrip. The WTM further found that the opening price on the first day of the investigation would be taken as the purchase price and, accordingly, held that the appellants had made unlawful gains of Rs.1.60 crores which they are liable to disgorge at the rate of 12% per annum.



6. The appellants being aggrieved have filed the present appeals.
7. We have heard Mr. J.J. Bhatt, Advocate assisted by Ms. Rinku Valanju, Mr. Pratham Masurekar, Ms. Hetal Joshi, Mr. Aditya Shah, Mr. Nikhil S. Udeshi and Mr. Shailesh Kumar, Advocates for the appellants and Mr. Pradeep Sancheti, Senior Advocate assisted by Mr. Abhiraj Arora, Ms. Rashi Dalmia, Mr. Karthik Narayan and Mr. Sumit Rai, Advocates for the respondent at length.
8. The WTM has found that the 13 entities are connected with each other on the basis of being introduced by one Mr. Paresh Doshi and through common address/telephone numbers, etc. The basis of connection has been given in paragraphs no.17.1, 17.2, 17.3, 17.4 and 17.5. The connection drawn in our opinion is patently vague and erroneous and does not inspire confidence. Something more is required to be done in the order to prove that these 13 entities were working as a group. For example if 'A' is connected to

'B' and 'C' is connected to 'D' and 'D' is connected to 'F' it does not mean that 'A' to 'F' are all connected with each other or 'A' is connected to 'D' or 'A' is connected to 'E' or 'A' is connected to 'C'. Thus, something more is required to be shown other than common address, telephone numbers etc. which in the instant case is also lacking inter se between the parties. In this regard, the learned senior counsel for the respondent fairly conceded that the findings of connection given by the WTM is very sketchy but submitted that connection can be drawn from the trading pattern which will show that the 13 entities were trading amongst themselves and, therefore, there was a pre meeting of minds and on preponderance of probability one could infer connection inter se between the noticees. This submission on inter se connection on the basis of trading pattern is also erroneous for the reasons stated hereunder.

9. The contention before us by the parties is the same as that contended before the WTM, namely, that there

was no inter se connection between the group; that they made independent trades and there was no price manipulation nor were they involved in creating artificial volume and misleading appearance in trading in the scrip nor were part of the price manipulation of the scrip, if any.

10. We find from a perusal of the show cause notice and the impugned order that the basic charge leveled against the 13 noticees/appellants is, that 13 out of 21 entities, as a group, traded amongst themselves which created artificial volume and misleading appearance in trading in the scrip which resulted in the increase in the price of the scrip from Rs.0.31/- to Rs.0.90/-. We find that there is no evidence in the impugned order to show that noticee nos.1 to 13 traded amongst themselves which resulted in the creation of artificial volume and misleading appearance in the scrip. The WTM in para 18.6 of the impugned order has indicated one instance where trades of Mr. Baldevsinh Vijaysinh Zala matched with Mr. Ashwinbhai Prabhudas Ruparel.

One instance of such trade cannot prove the charge of the 13 entities trading amongst themselves. In this regard, we have also perused the show cause notice and we find from table 3 of the show cause notice that it depicts certain entities trading inter se amongst themselves. Majority of these entities named in Table 3 except 2 of them are not noticees in the present proceedings. Therefore, in order to prove the charge against the appellants/noticees there must be sufficient material to show that these entities were trading amongst themselves. Except for the aforesaid instance of one trade, we do not find any evidence to show that the 13 noticees/appellants were trading amongst themselves on a continuous basis during the investigation period. In the absence of any evidence we are of the opinion that the charge of the 13 noticees/appellants trading amongst themselves cannot be proved. As a result, the creation of artificial volume, misleading appearance in the trading in the

scrip and increase in the price of the scrip automatically fails and cannot be sustained.

11. In the light of the aforesaid, the findings on disgorgement also cannot be sustained. We may further point out that in the instant case the calculation as to how the amount of Rs.1.60 crores was arrived at has not been depicted in the impugned order. We are of the opinion that the WTM was required to calculate the amount of disgorgement against each of the entities. Further, the purchase price of Rs.0.31/- which has been taken up as the opening price on the first date of investigation period cannot be taken into consideration especially when individual entities purchase and sale price are known on which the gain or loss averted can be calculated. Further, disgorgement has to be calculated individually of every noticee and not collectively.

12. We also find that the WTM has considered the question of delay in a very vague manner. No details have been specified. Merely by alleging that various

procedures were involved in the completion of the investigation is vague. Further, a specific assertion was made by the appellants that the scrip was in 'T' group and that the price of the scrip was controlled by the Stock Exchange and, thus, there cannot be any manipulation in the price of the scrip. This aspect has been noticed by the WTM but has not been dealt with in the impugned order. Similarly, the plea that there was no meeting of minds and/or the purchase of the scrip was made bonafidely in view of the announcement made by the Company on the stock exchange website has also not been taken into consideration. In our view, the WTM was required to consider these aspects of the matter.

13. In view of the aforesaid, the impugned order of the WTM cannot be sustained.

14. In so far as the AO's order is concerned we find that notices were issued to 22 noticees and penalty has been imposed to 21 noticees. 13 of those noticees have filed the present appeal. The charge is the same and

upon a perusal of the impugned order of the AO we find that most of the paragraphs are copy and cut paste from the order passed by the WTM. The findings are more or less similar on the issues involved. Consequently, on the same ground as dealt above the order of the AO also cannot be sustained in so far as the appellants are concerned.

15. In view of the aforesaid, the impugned order of the WTM and AO in so far as the appellants are concerned are quashed. The appeals are allowed. The matter is remitted to the authority concerned to pass a fresh order in the light of the observations made above after giving an opportunity of hearing. All the misc. application for exemption to file certified copy of the order and for stay are accordingly disposed of.

16. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be

digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

Justice Tarun Agarwala  
Presiding Officer

Justice M.T. Joshi  
Judicial Member

12.8.2021  
RHN