

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

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

In the matter of trading in the shares of Ruchi Soya Industries Limited.

In respect of -

S.No.	Entity	PAN
1.	Aventis Biofeeds Private Limited	AAECA0863E
2.	Navinya Multitrade Private Limited	AACCN9662J
3.	Uni24 Technosolutions Private Limited	AABCU2171N
4.	Sunmate Trade Private Limited	AAOCS9796A
5.	Shreyans Credit and Capital Private Limited	AAMCS7878M
6.	Betul Oils and Feeds Private Limited	AACCB8638E
7.	Betul Minerals and Constructions Private Limited	AADCB7050M

1. Securities and Exchange Board of India (“SEBI”), undertook a preliminary examination into the trading activities of certain entities in the scrip of **Ruchi Soya Industries Limited** (“**Ruchi Soya**” or “the **Company**”) on September 27, 2012 for the period from 03:00 pm to 03:30 pm at the National Stock Exchange of India Limited (“NSE”), to ascertain whether there was any violation of the provisions of the Securities and Exchange Board of India Act, 1992 (“the SEBI Act”) and the Rules and Regulations made thereunder.

2. The preliminary examination noticed that entities, Aventis Biofeeds Private Limited (Aventis), Navinya Multitrade Private Limited (Navinya), Uni24 Techno Solutions Private Limited (Uni24), Sunmate Trade Private Limited (Sunmate), Shreyans Credit and Capital Private Limited (Shreyans), Betul Oils and Feeds Private Limited (Betul Oils), Betul Minerals and Constructions Private Limited (Betul Minerals), Vision Millennium Exports Private Limited (Vision) and Moebius Credit and Capital Private Limited (Moebius) had executed trades with huge volumes and at a price significantly above the Last Traded Price (LTP) and pushed up the price of the scrip in the crucial last half an hour (i.e. 03:00 pm to 03:30 pm on September 27, 2012) on the expiry day of Ruchi Soya futures contract. These entities by inflating the settlement price had increased the gains on net long positions in futures of the scrip. The investigation also noticed that the trading

pattern indicated that there was a concerted attempt by the aforesaid connected entities to artificially manipulate the settlement price and make unlawful gains from the long positions held by them in the futures of the scrip. It was alleged that these entities had allegedly violated section 12A of the SEBI Act and regulations 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (“the PFUTP Regulations”).

3. Accordingly, SEBI, vide an ad interim ex-parte Order dated February 15, 2013 (“the Interim Order”), restrained the aforesaid nine entities from accessing the securities market and further prohibited them from buying, selling or dealing in securities in any manner whatsoever, till further directions. Thereafter, after affording opportunity to file replies and personal hearing, SEBI, vide Order dated December 06, 2013 revoked the directions issued vide the ad interim ex-parte order dated Feb 15, 2013. This Order noted that the matter requires a detailed investigation and also observed that the revocation of the interim order was without prejudice to any enforcement action that SEBI may deem necessary against the aforesaid noticees in the matter, on completion of the investigation.

4. In the detailed investigation conducted by SEBI in the matter, the aforesaid nine entities were classified as ‘suspected entities’. The investigation also observed that the seven suspected entities, namely, Navinya, Shreyans, Aventis, Sunmate, Uni24, Vision and Moebius had traded in the shares of Ruchi Soya Industries Limited on September 27, 2012 during 03:00 pm to 03:30 pm and influenced the settlement price of the Ruchi Soya futures expiring on September 27, 2012. It was also observed that on account of the manipulative trading activities, the suspected entities, namely, Navinya, Shreyans, Betul Minerals, Aventis, Betul Oils, Sunmate and Uni24, who were holding long positions in Ruchi Soya futures expiring on September 27, 2012 had reduced their square-off losses.

5. On the basis of material available in the MCA, fund movements, KYC details and/or a combination of these documents/information, it was observed that the aforesaid nine entities were connected to each other:

S. No.	Name of Entity	PAN	Connection details
1	Vision	AAACV6970B	<ul style="list-style-type: none"> <li>Transferred funds to Aventis, Navinya, Uni24, Moebius, Sunmate, and Shreyans</li> </ul>

			<ul style="list-style-type: none"> <li>Common phone number '9821994534' with Aventis, Sunmate, Shreyans, Betul Oils and Betul Minerals</li> </ul>
2	Aventis	AAECA0863E	<ul style="list-style-type: none"> <li>Received funds from Vision</li> <li>Common phone number '9821994534' with Vision, Sunmate, Shreyans, Betul Oils and Betul Minerals</li> </ul>
3	Navinya	AACCN9662J	<ul style="list-style-type: none"> <li>Received funds from Vision</li> </ul>
4	Uni24	AABCU2171N	<ul style="list-style-type: none"> <li>Received funds from Vision</li> <li>Common Director, Nilaykumar Daga with Moebius, Sunmate, Betul Oils and Betul Minerals</li> </ul>
5	Moebius	AAHCM4176D	<ul style="list-style-type: none"> <li>Received funds from Vision</li> <li>Common Director, Nilaykumar Daga with Uni24, Sunmate, Betul Oils and Betul Minerals</li> </ul>
6	Sunmate	AAOCS9796A	<ul style="list-style-type: none"> <li>Received funds from Vision</li> <li>Common Director, Nilaykumar Daga with Uni24, Moebius, Betul Oils and Betul Minerals</li> <li>Common address '117, mittal chambers, Nariman point, Mumbai – 400021' with Betul Oils</li> <li>Common phone number '9821994534' with Vision, Aventis, Shreyans, Betul Oils and Betul Minerals</li> </ul>
7	Shreyans	AAMCS7878M	<ul style="list-style-type: none"> <li>Received funds from Vision</li> <li>Common address 'Kothi bazar, Madhya Pradesh – 460001' with Betul Minerals and Nilaykumar Daga (director of Uni24, Moebius, Sunmate, Betul Oils and Betul Minerals)</li> <li>Common phone number '9821994534' with Vision, Aventis, Sunmate, Betul Oils and Betul Minerals</li> </ul>
8	Betul Oils	AACCB8638E	<ul style="list-style-type: none"> <li>Common Director, Nilaykumar Daga with Uni24, Moebius, Sunmate and Betul Minerals</li> <li>Common address '117, Mittal chambers, Nariman point, Mumbai – 400021' with Sunmate</li> <li>Common phone number '9821994534' with Vision, Aventis, Sunmate, Shreyans and Betul Minerals</li> </ul>
9	Betul Minerals	AADCB7050M	<ul style="list-style-type: none"> <li>Common Director, Nilaykumar Daga with Uni24, Moebius, Sunmate and Betul Oils</li> <li>Common address 'Kothi Bazar, Madhya Pradesh – 460001' with Shreyans and Nilaykumar Daga (director of Uni24, Moebius, Sunmate, Betul Oils and Betul Minerals)</li> <li>Common phone number '9821994534' with Vision, Aventis, Sunmate, Shreyans and Betul Oils</li> </ul>

**6.** The following are the other findings of SEBI in the investigation:

- (a) Ruchi Soya Industries Limited (Ruchi Soya) was incorporated on January 1, 1986. It is engaged in the manufacture of edible oils, vanaspati, bakery fats and soya foods. It was promoted by 41 entities who together hold 53.91% of the shares. It became a public listed company in the year 1999. It is listed on the BSE and NSE. The share price of Ruchi Soya as on August 17, 2015 was Rs.35.00 at BSE and Rs.35.15 at NSE.

(b) **Trading by the suspected entities in NSE (cash market) from 15:00:00 to 15:30:00 on September 27, 2012:** The trading activity of the suspected entities during the investigation period, in the scrip of Ruchi Soya is as under:

S.No	Entity Name	Total buy qty	% of total buy qty to Mkt. vol	Total Sell qty	% of total sell to Mkt. vol	Traded among suspected entities	% of Traded among suspected entities to Mkt. vol	% of Traded among suspected entities to suspected entities traded vol
1	Aventis	2900000	21.85%	0	0	754217	5.68%	26.01%
2	Moebius	2000000	15.07%	0	0	245689	1.85%	12.28%
3	Navinya	1130315	8.52%	420000	3.16%	0	0	0
4	Shreyans	600000	4.52%	0	0	61763	0.47%	10.29%
5	Sunmate	700000	5.27%	0	0	133078	1.00%	19.01%
6	Uni24	450000	3.39%	370197	2.79%		0	0
7	Vision	398830	3.01%	420000	3.16%		0	0
	<b>Total (of suspected entities)</b>	<b>81,79,145</b>	<b>61.63%</b>	<b>12,10,197</b>	<b>9.12%</b>	<b>11,94,747</b>	<b>9.00%</b>	<b>14.61%</b>
	<b>Market</b>	<b>1,32,72,015</b>	<b>100.00%</b>	<b>1,32,72,015</b>	<b>100.00%</b>			

Betul Oils and Betul Minerals did not trade in the NSE cash market during the investigation period. However, the remaining seven suspected entities bought 81,79,145 shares constituting 61.63% of market traded volume and sold 12,10,197 shares constituting 9.12% of the market traded volume during the investigation period.

The buy trade volume of the suspected entities with respect to the market traded volume at NSE on Sep 27, 2012 is given below.

	Market traded volume	Buy Volume of the Suspected Entities	% of Buy volume of Suspected Entities to Market Volume	% of Suspected Entities Buy volume as against total buy volume of Suspected Entities
September 27, 2012	1,57,92,103	85,54,767	54.17%	100%
Last 30 min of trading on Sep 27, 2012 (03:00 pm to 03:30 pm)	1,32,72,015	81,79,145	61.63%	95.61%
Last 3 min of trading on Sep 27, 2012 (03:00 pm to 03:30 pm)	80,26,387	63,96,987	79.69%	74.77%

From the above table, it was observed that the buy trades of the suspected entities were concentrated in the last 30 minutes (especially last 3 minutes) of trading on September 27, 2012. It was observed that the buy volume of the suspected entities contributed 61.63% and 79.69% to the market traded volume in the last 30 minutes and last 3 minutes of trading on September 27, 2012 respectively. Thus, it can be inferred that the suspected

entities had traded heavily in the scrip on September 27, 2012 only during last half an hour and were also the net buyers during the last half an hour on the said date.

**(c) Contribution of Suspected entities to the LTP:** The investigation observed that the suspected entities had contributed to the price rise of the scrip during the investigation period. The following table shows their contribution to LTP.

Name (Buy side)	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. =0		% of Total mkt Positive LTP
	LTP impact	Qty Trd	No of trades	LTP impact	Qty Trd	No of trades	LTP impact	Qty Trd	No of trades	Qty traded	No of trades	
Aventis	25.05	2900000	1362	25.05	392281	143		0	0	2507719	1219	7.29%
Moebius	16.45	2000000	933	16.45	231586	114	0	0	0	1768414	819	4.78%
Sunmate	10.6	700000	105	10.6	264906	38	0	0	0	435094	67	3.08%
Shreyans	6.9	600000	126	6.9	164955	32	0	0	0	435045	94	2.01%
Navinya	-1.2	1130315	634	2.95	26780	52	-4.15	138121	73	965414	509	0.86%
Uni24	-1.45	450000	331	1	2421	18	-2.45	76929	47	370650	266	0.29%
Vision	-0.8	398830	43	0	0	143	-0.8	7095	12	391735	31	0
<b>Total</b>	<b>55.55</b>	<b>8179145</b>	<b>3534</b>	<b>62.95</b>	<b>1082929</b>	<b>397</b>	<b>-7.4</b>	<b>222145</b>	<b>132</b>	<b>6874071</b>	<b>3005</b>	<b>18.31%</b>
<b>Trade amongst group</b>	<b>2.3</b>	<b>1194747</b>	<b>25</b>	<b>2.3</b>	<b>214508</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>980239</b>	<b>18</b>	<b>0.67%</b>
<b>Market</b>	<b>16.75</b>	<b>13272015</b>	<b>14003</b>	<b>343.8</b>	<b>1747092</b>	<b>2128</b>	<b>-327.05</b>	<b>1333428</b>	<b>1797</b>	<b>10191495</b>	<b>10078</b>	<b>100%</b>

From the above table, it was observed that the suspected entities contributed 18.31% to the market positive LTP. It was observed that amongst the suspected entities, the buy trades of Aventis, Moebius, Shreyans and Sunmate had greater impact on the market positive LTP and positive net LTP contribution. Therefore the buy trades of these 4 entities were analysed further. Order book analysis was done with respect to the buy trades of Aventis, Moebius, Shreyans and Sunmate.

**(d) Order Book Analysis of Aventis:** The buy orders analysis of Aventis is given below:

Sr. N o.	Buy Order No.	Buy Order Modified time	Modify Bid price / LTP (Rs.)	Modify Buy Vol	Sell Orders pending at Modified time with price range	Total sell vol of shares offered at the sell price range	Average ask price per share	total no. of Sell Orders	Executed trades [Price range (Rs.) : no. of shares]
<b>Aventis</b>									
1	2012092742196468	15:28:05	88/72.1	4 lakh	72.05-75	2,96,163	73.98	500	72.1-75 : 2,96,163
					75.1-80	7,16,097	77.6	702	75.1-77 : 1,03,837
					80.1-89.05	1,07,53,015	84.4	393	
									<b>Total : 4 lakh</b>
2	2012092742190719	15:28:17	88/73.5	5 lakh	74-80.9	8,763,23	78.3	531	74-77 : 4,833,52
					81-87.9	9,01,428	83.77	286	77.1-77.9 : 16648
					88-89.05	98,47,890	88.20	74	
									<b>Total : 5 lakh</b>
3	2012092742159097	15:28:42	88/82.1	5 lakh	83-85	2,006	84	3	83-87.9 : 1,37,252 88 : 3,62,748
					87-87.9	1,35,246	87.5	13	
					88	38,32,863	88	43	
					88.2-89.05	60,45,027	88.6	36	

									<b>Total : 5 lakh</b>
4	2012092742159987	15:28:45	88/84	5 lakh	85-87	1,14,401	86.1	11	85-87 : 1,14,401
					88	34,70,115	88	21	88 : 3,85,599
					88.2-89.05	6039027	88.64	34	
									<b>Total : 5 lakh</b>
5	2012092742160747	15:28:48	88/85	5 lakh	86-87.95	2,09,597	87.6	26	86-87.9 : 2,08,097
					88	30,92,133	88	27	88 : 2,91,903
					88.2-89.05	60,24,027	88.64	33	
									<b>Total : 5 lakh</b>
6	2012092742155500	15:28:51	88/85.3	5 lakh	87-87.95	1,01,990	87.74	15	87-87.95 : 1,01,990
					88	28,01,757	88	31	88 : 3,98,010
					88.2-89.05	60,09,027	88.64	32	
									<b>Total : 5 lakhs</b>

It is observed that Aventis had modified the bid price of orders at sl.no. 1 and sl.no.2 to Rs. 88 when the LTP was Rs. 72.1/73.5 and the required quantity was available at lesser price itself. Aventis increased the LTP of the scrip with its subsequent trades also. Thus, it was observed that Aventis had deliberately placed order at prices higher than the LTP to increase the price of the scrip. The orders were modified to higher prices and the trades were executed mainly during the last 3 minutes of the trading on September 27, 2012. These trades of Aventis contributed to positive LTP and Net LTP of the scrip. Thus, Aventis contributed to the price rise of the scrip allegedly in a fraudulent manner.

(e) **Order Book Analysis of Moebius:** The buy orders analysis of Moebius is given below:

Sr. N o.	Buy Orders	Modified time	Modify Bid price / LTP (Rs.)	Mo dify Buy Vol	Sell Orders pending at Modified time with price range	Total sell vol of shares offered at the sell price range	Average ask price per share	total no. of Sell Orders	Executed trades [Price range (Rs.) : no. of shares]
<b>Moebius</b>									
1	2012092742166537	15:28:29	88/76.5	5 lakh	76.5-80	6,19,008	78.96	321	76.5-78 : 2,13,537
					80.1-87.9	9,19,717	83.55	311	78.1-80 : 2,86,463
					88-89.05	98,47,890	88.26	74	
									<b>Total : 5 lakhs</b>
2	2012092742175818	15:28:34	88/78.8	5 lakh	78.8-82	1,92,831	81.1	123	78.8-82.9 : 2,14,315
					82.2-87.9	8,85,417	84.69	204	83-84 : 2,85,685
					88-89.05	98,47,890	88.27	74	
									<b>Total : 5 lakhs</b>
3	2012092742164332	15:28:40	88/82	5 lakh	83-85.8	3,60,166	84.67	66	83-85 : 3,52,545
					86-87.9	2,50,080	86.65	57	85.5-87 : 1,47,455
					88-89.05	98,65,890	88.28	76	
									<b>Total : 5 lakhs</b>
4	2012092742176535	15:28:53	88/85.3	5 lakh	85.3-87.9	31,306	86.87	11	85.3-87.9 : 31,306
					88	24,10,748	88	25	88 : 4,68,694
					88.2-89.05	60,08,033	88.67	33	
									<b>Total : 5 lakhs</b>

It is observed that Moebius modified the bid price of orders at sl.nos. 1, 2 and 3 to Rs. 88 when the LTP was in the range of Rs. 76.5 to 82/- and the required quantity was available at a lesser price. Thus, it was observed that Moebius had deliberately placed order at prices higher than LTP to increase the price of the scrip. The orders were modified to higher prices and the trades were executed mainly during the last 3 minutes of the trading on September 27, 2012. These trades of Moebius contributed to positive LTP and Net LTP of the scrip and that such contribution was allegedly made in a fraudulent manner.

(f) **Order Book Analysis of Sunmate:** The buy orders analysis of Sunmate is given below:

Sr. N o.	Buy Orders	Modified time	Modify Bid price / LTP (Rs.)	Mo dify Buy Vol	Sell Orders pending at Modified time with price range	Total sell vol of shares offered at the sell price range	Average ask price per share	total no. of Sell Orders	Executed trades [Price range (Rs.) : no. of shares]
<b>Sunmate</b>									
1	2012092742394852	15:29:32	88/85	1 lakh	85-87	69,777	85.8	16	85-87 : 69,777 88 : 30,223
					88	21,09,105	88	43	
					88.2-96	61,55,356	90.3	73	
									<b>Total: 1 lakh</b>
2	2012092742394174	15:29:39	88/84.8	1 lakh	84.8-87.95	2,46,706	87.38	58	84.8-87.7 : 1,00,000
					88	20,75,482	88	45	
					88.2-96	61,85,276	90.6	79	
									<b>Total: 1 lakh</b>
3	2012092742392344	15:29:45	88/86	1 lakh	86-87.95	1,76,934	87.59	16	86-87.9 : 1,00,000
					88	20,75,483	88	46	
					88.2-96	62,03,361	90.56	86	
									<b>Total: 1 lakh</b>
4	2012092742391294	15:29:47	88.2/87	1 lakh	87.7-88	21,62,056	87.97	58	87.7-87.9 : 53,585 88 : 46,415
					88.2	60,00,000	88.2	12	
					88.35-96	2,02,460	90.99	72	
									<b>Total: 1 lakhs</b>
5	2012092742389811	15:29:50	88.2/87.1	1 lakh	87.7-87.9	41,000	87.8	9	87.7-87.9 : 41,000 88 : 59,000
					88-89.95	70,01,062	88.44	89	
					90-96	1,66,354	92.72	38	
									<b>Total: 1 lakh</b>
6	2012092742388320	15:29:53	88.2/87.1	2 lakh	87.5 - 87.9	47,499	87.76	10	87.5-87.9 : 47,499 88 : 1,52,501
					88 - 89.95	69,45,678	88.44	94	
					90-96	1,66,356	92.61	40	
									<b>Total: 2 lakh</b>

It was observed that Sunmate modified the bid price of orders at sl.no. 2 and sl.no. 3 to Rs. 88 when the LTP was Rs. 84.8 - 86 and also when the required quantity was available at lesser price. Thus, Sunmate had deliberately placed order at prices higher than LTP to increase the price of the scrip. The orders were modified to higher prices and the trades

were executed mainly during the last 3 minutes of the trading on Sep 27, 2012. These trades of Sunmate contributed to positive LTP and Net LTP of the scrip and the same were allegedly made in a fraudulent manner.

(g) **Order Book Analysis of Shreyans:** The buy orders analysis of Shreyans is given below:

Sr. No.	Buy Orders	Modified time	Modify Bid price / LTP (Rs.)	Modify Buy Vol	Sell Orders pending at Modified time with price range	Total sell vol of shares offered at the sell price range	Average ask price per share	total no. of Sell Orders	Executed trades [Price range (Rs.) : no. of shares]
<b>Shreyans</b>									
1	2012092742398061	15:29:29	88/84	2 lakh	84.8-87.95	1,61,724	86.88	56	84.8-87.9 : 1,58,724 88 : 41,276
					88	21,47,406	88	44	
					88.2-96	61,04,356	90.25	71	
									<b>Total: 2 lakh</b>
2	2012092742402207	15:29:34	88/85	1 lakh	85-87.9	2,95,799	86.72	15	85 : 1,00,000
					88	20,78,882	88	43	
									<b>Total: 1 lakh</b>
3	2012092742383425	15:29:42	88/85.5	2 lakh	85.5-87.95	2,58,602	87.7	47	85.5-87.9 : 2,00,000
					88	20,75,483	88	46	
					88.2-96	62,00,461	90.57	84	
									<b>Total: 2 lakh</b>
4	2012092742374418	15:29:55	88.2/87.5	1 lakh	87.8-87.95	30,200	87.86	5	87.8-88 : 1,00,000
					88-88.2	67,55,670	88.03	58	
					88.35-96	2,05,363	90.94	78	
									<b>Total: 1 lakh</b>

It was observed that Shreyans modified the bid price of orders at sl.no. 2 and sl.no. 3 to Rs. 88 when the LTP was Rs. 85 – 85.5 also when the required quantity was available at lesser price. Further, this entity was found to have increased the LTP through its subsequent trades also. Therefore, Shreyans had deliberately placed order at prices higher than LTP to increase the price of the scrip. The orders were modified to higher prices and the trades were executed mainly during the last 3 minutes of the trading on September 27, 2012. These trades of Shreyans contributed to positive LTP and Net LTP of the scrip and the same were therefore done allegedly in a fraudulent manner.

(h) **Contribution to New High Price (NHP) by suspected entities** - During the investigation period, the price of the Ruchi Soya at NSE moved from Rs. 70.65 to Rs. 88.0, an increase of Rs. 17.35. It was observed that Moebius and Aventis had contributed to 85% to the NHP. The following details are relevant in this regard:

S.No.	Entity Name	No. of NHP trades	Sum of NHP Quantity	NHP contribution (in Rs.)	NHP contribution to total market NHP (in %)
1	Moebius	10	14143	9.1	52.45%
2	Aventis	8	73009	5.65	32.56%
	<b>Total</b>	<b>18</b>	<b>87152</b>	<b>14.75</b>	<b>85.01%</b>
	<b>Market</b>	<b>26</b>	<b>90018</b>	<b>17.35</b>	<b>100%</b>

Order book analysis was carried out for the top 10 trades of Moebius and Aventis which resulted in the NHP. It was observed that the buy trades of these entities which contributed to NHP were the same trades that contributed to positive LTP and net LTP, as discussed above.

- (i) During the investigation period, it was also observed that the suspected entities had traded amongst themselves. Details thereof are given as under:

Buyers	Aventis		Moebius		Shreyans		Sunmate		Sell vol of Suspected entities within themselves	Total Sell vol of Suspected entities	Sell within suspected entities as % of total sell vol
	Trd Qty	LTP	Trd Qty	LTP	Trd Qty	LTP	Trd Qty	LTP			
<b>Sellers</b>	Trd Qty	LTP	Trd Qty	LTP	Trd Qty	LTP	Trd Qty	LTP			
Navinya	280000	0	70000	0	-	-	70000	0	420000	420000	100%
Vision	264217	0.05	85783	0.1	16740	0.05	51260	0	418000	420000	99.52%
Uni24	210000	1.05	89906	0	45023	0.05	11818	1	356747	370197	96.37%
<b>Total</b>	<b>754217</b>	<b>1.1</b>	<b>245689</b>	<b>0.1</b>	<b>61763</b>	<b>0.1</b>	<b>133078</b>	<b>1</b>	<b>1194747</b>	<b>1210197</b>	<b>98.72%</b>

It was observed that 98.72% of the sell trades of the suspected entities had matched with the others entities pertaining to the suspected entities only. The trades among the suspected entities contributed Rs. 2.3 to the LTP which is 0.67% of market positive LTP during the investigation period.

On the analysis of the sell orders of Navinya, Vision and Uni24, it was observed that these entities placed sell orders with a limit price of Rs. 88 significantly higher than the LTP of Rs.71/-. As the sell order price was higher than the LTP, the sell orders were not executed. When the suspected entities placed buy orders for the same price i.e. Rs. 88 beginning 03:28:05 pm, the orders matched and the trades were executed. Therefore, the suspected entities had established a higher trading price of Rs. 88 in the market by executing matched trades at higher prices amongst themselves, allegedly in a fraudulent manner.

- (j) **Trade details of suspected entities in the NSE Futures market:** It was observed that seven of the nine suspected entities were holding net long positions in the scrip as on September 27, 2012 and one suspected entity, namely, **Vision** was holding short position in Ruchi Soya futures. Moebius was not holding any position in the futures of Ruchi Soya. The trading pattern of the eight suspected entities and their built-up positions for September 27, 2012 expiry has been depicted below:

S. No	Name	(Qty in lakhs)							
		August 2012		September, 2012 (Upto 26th)		Net Long shares as on (date) (%)	On Sep 27, 2012		Net Long on Sep 27, 2012
		Buy	Sell	Buy	Sell		Buy	Sell	
1	Navinya	13.72	0	0	0	13.72 (Aug 27) (21.03%)	0	0	13.72
2	Shreyans	9.88	0	0.68	0.24	10.32 (Sep 13) (15.82%)	2.84	0	13.16
3	Betul Minerals	13	0	0	0	13.00 (Aug 30) (19.93%)	0	0	13
4	Aventis	11.2	0.2	0	0	11.00 (Aug 27) (16.86%)	0.24	0	11.24
5	Betul Oils	11	0	0	3.36	7.64 (Sep 24) (11.71%)	2.6	0	10.24
6	Sunmate	10.76	0	1.24	4.64	7.36 (Sep 25) (11.28%)	1.04	0	8.4
7	Uni24	12.2	0	0	10	2.20 (Sep 24) (3.37%)	0	0	2.2
8	Vision	3.48	0	0	7.4	(3.92)(Sep 24)	0	0	(3.92)
	<b>Total</b>	<b>85.24</b>	<b>0.2</b>	<b>1.92</b>	<b>25.64</b>	<b>65.24</b>	<b>6.72</b>	<b>0</b>	<b>71.96</b>

It is observed that four of the eight suspected entities mentioned in the table above, increased their long positions in the Ruchi Soya futures on the day of the contract expiry and bought 6.72 lakh futures contracts on September 27, 2012.

The settlement price in futures market on the last date of expiry is calculated on the basis of the last half an hour Volume Weighted Average Price (VWAP) in the cash market. Any positive impact on the closing VWAP would positively impact the settlement price in the derivative segment. The suspected entities traded heavily on September 27, 2012 mainly during 15:00 hrs to 15:30 hrs and had established new high price in the cash segment of the scrip. This is the period which is taken for consideration of the calculation of the settlement price of the futures contracts. Through their alleged manipulative trades, as brought out above, these suspected entities had managed to artificially establish higher settlement price in the futures of Ruchi Soya on September 27, 2012, which finally closed at Rs. 78.65. Hence, it is evident that the suspected entities traded heavily in the scrip at higher prices during last half an hour on Sep 27, 2012 to get a better future settlement price.

The act of artificially impacting the settlement price in the derivative segment is known as ‘marking the close’. The aforesaid scheme of “marking the close” devised by the suspected

entities enabled the seven suspected entities who were holding long positions in the Ruchi Soya futures on September 27, 2012 to reduce their losses arising out of their long positions.

The settlement price of Ruchi Soya futures on September 27, 2012 is Rs.78.65. If impact caused on account of the manipulative trades are excluded from the calculation of the settlement, the settlement should have ideally been Rs. 70.65/-. It is therefore clear that the suspected entities had impacted the settlement price of the scrip by Rs. 8.00 per share (i.e., Rs. 78.65-Rs. 70.65) by way of manipulating the traded price of the scrip in the cash segment.

**(k) Alleged Violations:** From the above manner of trading by the suspected entities, it is alleged that they have contravened the provisions of section 12 A (a), (b), (c) of the SEBI Act read with regulations 3 (a), (b), (c) & (d), 4 (1) and 4 (2) (a), (e) of the PFUTP Regulations.

**(l) Gains made by the suspected entities** - A comparison of the square-off gains / losses earned by the long positions of the suspected entities at a price of Rs.70.65 (the settlement price if the alleged price manipulation had not been done by the suspected entities) as against the actual settlement price of Rs. 78.65 is given below:

(Value in lakhs)									
S.No.	Entity Name	Net Long in futures (as on Sep 27, 2012)	Net Buy Value of the long posn	Net position acquired in cash market (as on Sep 27,2012)	Sett value at sett. price of Rs. 78.65 (in Rs)	Square-off gain / loss @ Rs. 78.65	Sett. Value at revised sett. price of Rs. 70.65 (in Rs)	Square-off gain / loss @ Rs. 70.65	Diff in Square-off gain / loss (in Rs.)
		A	B	C	D=A*78.65	E=D-B	F=A*70.65	G=F-B	H=E-G
1	Navinya	13.72	1162.59	7.1	1079.078	-83.51	969.318	-193.27	109.76
2	Shreyans	13.16	1074.44	6.01	1035.034	-39.41	929.754	-144.69	105.28
3	Betul Minerals	13.00	1098.93	0	1022.45	-76.48	918.45	-180.48	104
4	Aventis	11.24	949.46	32.72	884.026	-65.43	794.106	-155.35	89.92
5	Betul Oils	10.24	876.49	0.016	805.376	-71.11	723.456	-153.03	81.92
6	Sunmate	8.4	738.01	4.9	660.66	-77.35	593.46	-144.55	67.2
7	Uni24	2.2	332.15	0.79	173.03	-159.12	155.43	-176.72	17.6
	<b>Total</b>	<b>71.96</b>	<b>6232.07</b>	<b>71.34</b>	<b>5659.65</b>	<b>-572.41</b>	<b>5083.97</b>	<b>-1148.1</b>	<b>575.68</b>

From the above table, it can be noticed that the suspected entities had reduced their losses by Rs. 5.76 crores through their manipulative trades in the cash market which resulted in a higher futures price.

7. Considering the alleged connection amongst the said nine entities, the manner of trading by impacting the LTP, executing matched trades, as discussed in this Order, it is reasonable to view all of them as a 'group' and make them jointly and severally liable for the alleged illegal profits/avoidance of loss made while dealing in the shares of Ruchi Soya. I note that the entities are aware of the investigations as also the likely findings of the investigation, in the light of the evidences gathered and the statements given during the investigation. All these factors point to the possibility that the entities involved may divert the unlawful gains. Therefore, in order to prevent such entities from diverting the funds and to safeguard the interests of securities market, it becomes necessary for SEBI to take urgent preventive steps of impounding and retaining the proceeds by way of an interim measure. As the alleged gains/avoidance of losses were made during the year 2012, it becomes reasonable and necessary to levy an interest at the rate of 12% simple interest per annum. The alleged gains/avoidance of losses along with the interest is arrived at as follows:

Entity Name	PAN	Profit / Loss Avoided (Amount in Rs.)
Navinya Multitrade Private Limited	AACCN9662J	1,09,76,000
Shreyans Credit and Capital Private Limited	AAMCS7878M	1,05,28,000
Betul Minerals and Constructions Private Limited	AADCB7050M	1,04,00,000
Aventis Biofeeds Private Limited	AAECA0863E	89,92,000
Betul Oils and Feeds Private Ltd	AACCB8638E	81,92,000
Sunmate Trade Private Ltd	AAOCS9796A	67,20,000
Uni24 Techno Solutions Private Ltd	AABCU2171N	17,60,000
<b>Total</b>		<b>5,75,68,000*</b>

*\*Alleged unlawful profits made on September 27, 2012 by the above entities.*

*Interest @ 12% on the said amount from 28/09/2012 till 07/06/2016 is Rs.2,55,31,802/-.*

8. Accordingly, as an interim measure, an *ad-interim* ex-parte Order for impounding such alleged profits under section 11(4)(d) of the Securities and Exchange Board of India Act, 1992 needs to be issued against the suspected entities. In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, I, in exercise of the powers

conferred upon me by virtue of section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, hereby impound the alleged unlawful gains of a sum of **₹8,30,99,802/- (alleged gain of ₹5,75,68,000/- + interest of ₹2,55,31,802/- (from 28.09.2012 to 07.06.2016))**, jointly and severally from persons/entities tabulated below:

S. No.	Name	Permanent Account Number
1	Navinya Multitrade Private Limited	AACCN9662J
2	Shreyans Credit and Capital Private Limited	AAMCS7878M
3	Betul Minerals and Constructions Private Limited	AADCB7050M
4	Aventis Biofeeds Private Limited	AAECA0863E
5	Betul Oils and Feeds Private Limited	AACCB8638E
6	Sunmate Trade Private Limited	AAOCS9796A
7	Uni24 Techno Solutions Private Limited	AABCU2171N

9. The Banks are directed that no debits shall be made, without permission of SEBI, in respect of the bank accounts held by all the persons/entities tabulated in the **paragraph above**, except for the purposes of transfer of funds to the escrow account as directed herein below. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by the above said persons. However, credits, if any, into the accounts maybe allowed. The Banks and the Depositories are directed to ensure that all the above directions are strictly enforced. Further, debits may also be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purpose of complying with this Order.

10. The persons/entities tabulated in **paragraph 8** above are also directed not to dispose off or alienate any of their assets/properties/securities, till such time the amounts mentioned in **paragraph 8** are credited to an escrow account {“**Escrow Account in Compliance with SEBI Order dated June 07, 2016 – A/c (in the name of the respective persons/entities)**”} created specifically for the purpose in a Nationalized Bank. The escrow account/s shall create a lien in favour of SEBI and the monies kept therein shall not be released without permission from SEBI. Banks are allowed to debit the accounts for the purpose of complying with this order. On production of proof by any of the persons, mentioned in **paragraph 8**, that the said money is deposited in the escrow account, SEBI shall communicate to the Banks and Depositories to defreeze the accounts.

11. Further, the persons against whom this Order is issued are directed to provide, within 7 days of this Order, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form and details of companies in which they hold substantial or controlling interest.

12. The above direction shall come into force with immediate effect.

13. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the persons/entities covered under this Order, in accordance with law. The persons/ entities against whom this Order has been passed may file their replies to SEBI within 21 days from the date of receipt of this Order. They may also indicate in their replies whether they wish to avail an opportunity of personal hearing in the matter.

**PRASHANT SARAN  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA**

**Date: June 07, 2016**

**Place: Mumbai**