

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER NO. Order/BD/VS/2020-21/7626-7650]**

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992  
READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING  
PENALTIES) RULES, 1995.**

**In respect of :**

<b>1.</b>	<b>Mr.Atul Tomar</b> C-73 Vijay Ratan Vihar Sector-15, Part II Gurgaon- 122 001	<b>ABCPT0476A</b>
<b>2.</b>	<b>Mastermind Traxim Pvt.Ltd.</b> 1221 Sector 21 D Haryana Faridabad- 120 013	<b>AAFCM5759E</b>
<b>3.</b>	<b>SMVD Infrastructure Private</b> 402, K.M. Trade Tower, Hotel Radisson Blu Complex, Kaushambi, Ghaziabad- 201010	<b>AAKCS4359M</b>
<b>4.</b>	<b>SMVD Financial Consultants</b> 402, K.M. Trade Tower, Hotel Radisson Blu Complex, Kaushambi, Ghaziabad- 201010	<b>ABGPS0969K</b>
<b>5.</b>	<b>Jewel Garments Private Limited</b> Plot No. 29, DLF Industrial Area Phase II Faridabad 121 003 Haryana	<b>AABCJ9694B</b>
<b>6.</b>	<b>Rama Rani</b> B-27, Block-B, South Anarkali, Delhi- 110 092	<b>AOVPR2657D</b>
<b>7.</b>	<b>Mr.Govardhan Lal</b> B-27, Block-B, South Anarkali, Delhi- 110 092	<b>AEEPL0021J</b>
<b>8.</b>	<b>Mr.Nitin Chadha</b> F-10, Rajouri Garden, New Delhi- 110027	<b>ADEPC1761F</b>
<b>9.</b>	<b>Dynamic Global Propfanchises Private Limited</b> J-9/18, Rajouri Garden,	<b>AACCD1040L</b>

	New Delhi- 110 027	
<b>10.</b>	<b>Ajit Singh Dua</b> J-9/18, Rajouri Garden, New Delhi- 110 027	<b>AAHPD3717G</b>
<b>11.</b>	<b>Man Mohan Singh Dua</b> J-9/18, Rajouri Garden, New Delhi- 110 027	<b>AAGPD4794C</b>
<b>12.</b>	<b>Ajay Kumar Kapoor HUF</b> B-25, Lajpat Nagar II, New Delhi- 110 024	<b>AAIHA3249R</b>
<b>13.</b>	<b>Kamalesh Shantilal Jain</b> 7A, Prince Apartments, 59, Ormes Road, Chennai 600 001	<b>AAFPJ2745J</b>
<b>14.</b>	<b>Shatanand Sharma Sons HUF</b> K- 202, Jasmine Block, Niho Scottish Garden, Mall Road, Indrapuram, Ghaziabad, Uttar Pradesh- 201 010	<b>AAQHS0327A</b>
<b>15.</b>	<b>Sunvision Infotech Pvt.Ltd.</b> First Floor 44 Gali No. 3, Kotla Mayur Vihar-1 Delhi	<b>AAKCS1185K</b>
<b>16.</b>	<b>Vijay Kapoor</b> House No. A-61, Inder Puri, New Delhi- 110 012	<b>AJZPK2378P</b>
<b>17.</b>	<b>Brijesh Sharma</b> K- 202, Jasmine Block, Niho Scottish Garden, Mall Road, Indrapuram, Ghaziabad, Uttar Pradesh- 201010	<b>AGGPS7650A</b>
<b>18.</b>	<b>Dhvani J Kothari</b> 203B, Harmony,Damodarwadi, A.C. Road,Ashok Nagar, Kandivali (East), Mumbai- 400 101	<b>AYCPK4308B</b>
<b>19.</b>	<b>Darshan J.Kothari</b> 203B, Harmony,Damodarwadi, A.C. Road,Ashok Nagar, Kandivali (East),	<b>ALYPK1375K</b>

	Mumbai- 400 101	
20.	<b>SMVD Securities Private Ltd.</b> 402, K.M. Trade Tower, Hotel Radisson Blu Complex, Kaushambi, Ghaziabad- 201010	<b>AAJCS9127L</b>
21.	<b>Almondz Entertainment Private Limited</b> 2A, H Block, Dilshad Garden, New Delhi 110 095	<b>AAHCA3646C</b>
22.	<b>Ishan Chadha</b> F-10, Rajouri Garden, New Delhi- 110 027	<b>AHBPC7134R</b>
23.	<b>Rajeev / Rajiv Gupta</b> 287, 2nd Floor, Jagriti Enclave, Delhi- 110092	<b>AFYPG0628M</b>
24.	<b>Monika Gupta</b> 287, 2nd Floor, Jagriti Enclave, Delhi- 110 092	<b>AIYPG3105A</b>
25.	<b>DBS Cholamandalam Securities Limited (now known as Cholamandalam Securities Limited)</b> Dare House, No. 2, 1st Floor, N.S.C. Bose Road, Chennai- 600 001	<b>CIN:U65993TN1994PLC028674</b>

## IN THE MATTER OF RICHA INDUSTRIES LIMITED

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### Background of the case

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had passed Adjudication Order No. EAD-2/DSR/RG/406-465/2015 dated May 19, 2015 *inter alia* against i) Mr.Atul Tomar, ii) Mastermind Traxim Pvt.Ltd., iii) Sumu Consultancy Private Limited, iv) SMVD Financial Consultants, v) Jewel Garments Private Limited, vi) Dynamic Global Propfranchises Private Limited, vii) Ajit Singh Dua, viii) Man Mohan Singh Dua, ix) Ajay Kumar Kapoor HUF, x) Kamallesh Shantilalji Jain, xi) Shatanand Sharma Sons HUF, xii) Sunvision Infotech Pvt.Ltd.,

xiii) Vijay Kapoor, xiv) Brijesh Sharma, xv) Dhvani J Kothari, xvi) Darshan J.Kothari, xvii) SMVD Securities Private Ltd. xviii) Rama Rani, xix) Mr.Govardhan Lal xx) Mr.Nitin Chadha, xxi) Almondz Entertainment Private Limited, xxii) Ishan Chadha, xxiii) Rajeev / Rajiv Gupta, xxiv) Monika Gupta and xxv) Cholamandalam Securities Limited (hereinafter referred to as **Noticee No. 1 to 25** respectively). Vide the aforesaid adjudication order, *inter alia* penalty was imposed under Section 15A(a) and 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") on Atul Tomar and Mastermind Traxim P. Ltd (Noticees- 1 and 2) for the alleged violation of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as the "**PFUTP Regulations**") and non-compliance of summons; a penalty under Section 15HA of the SEBI Act on Noticees-3 to 24 viz. Sumu Consultancy Private Limited (now known as SMVD Infrastructure Private), SMVD Financial Consultants, Jewel Garments Private Limited, Dynamic Global Propfranchises Private Limited, Ajit Singh Dua, Man Mohan Singh Dua, Ajay Kumar Kapoor HUF, Kamalesh Shantilalji Jain, Shatanand Sharma Sons HUF, Sunvision Infotech Pvt.Ltd., Vijay Kapoor, Brijesh Sharma, Dhvani. D.Kothari, Darshan J. Kothari, SMVD Securities Private Ltd., Rama Rani, Govardhan Lal, Nitin Chadha, Almondz Entertainment Private Limited, Ishan Chadha, Rajeev / Rajiv Gupta and Monika Gupta for the alleged violation of the provisions of the PFUTP Regulations and penalty under Section 15HA and 15HB of the SEBI Act on Noticee-25 viz. DBS Cholamandalam Securities for the alleged violation of the provisions of PFUTP Regulations and SEBI (Brokers and Sub-brokers) Regulations, 1992 (hereinafter referred to as the "**Broker Regulations**"). The said adjudication order was challenged by the Noticees before the Hon'ble Securities Appellate Tribunal (SAT). Further, via its order dated June 22, 2016 Hon'ble SAT setaside the aforementioned Adjudication Order *inter alia* against the 25 Noticees in the instant matter and restored the matter for passing fresh order on merits and in accordance with law.

### **Appointment of Adjudicating Officer**

2. Pursuant to Order of Hon'ble SAT dated June 22, 2016 directing SEBI to pass fresh order in the captioned matter, Shri. Sura Reddy General Manager was appointed as Adjudication Officer (**AO**). Further, consequent upon the transfer of the matter from

Shri. Sura Reddy, Shri Jeevan Sonparote was appointed as AO vide Order dated 27.04.2018. Further, on transfer of the Shri Jeevan Sonparote, Shri V S Sundaresan was appointed as the AO in the matter. Subsequently, the undersigned has been appointed as the AO in the instant proceedings vide order dated December 24, 2019.

### **Show Cause Notice, Reply and Personal Hearing**

3. A common show cause notice (SCN) dated February 06, 2014 was issued to the Noticees in terms of Rule 4(1) of the said Rules to show cause as to why an inquiry should not be held and penalty be not imposed on them for the abovementioned alleged violation of the provisions of law.
4. SEBI had conducted an investigation into the alleged irregularity in the matter of trading activities of certain entities in the scrip of Richa Industries Limited (hereinafter referred to as "RIL / Scrip") and into the possible violation of the provisions of the SEBI Act and various Rules and Regulations made there under during the period from December 01, 2008 to December 31, 2009. During the investigation period, it was observed that the scrip of RIL had opened at ₹ 61.10 on December 01, 2008, touched a high of ₹ 161.80 on November 16, 2009, low of ₹ 29.00 on March 16, 2009 and closed at ₹ 110.20 on December 31, 2009.
5. The investigation, inter alia, revealed that the scrip of RIL listed at the BSE Ltd. (BSE) was traded on 264 trading days for 57,850 trades for a total traded quantity of 1,24,48,074 shares. The investigation further revealed that, during the period from December 01, 2008 to December 31, 2009, 38 group of entities namely, 1. Atul Tomar, 2. Mastermind Traxim Pvt. Ltd., 3. Danesh Pandit, 4. Rajan Srivastava, 5. Sheo Shankar Dubey, 6. Sumu Consultancy Private Limited, 7. Vinay Jain, 8. Abhi Capital Services Limited, 9. Sudesh Jain, 10. Narender Kumar, 11. Goodfaith Cement Pvt.Ltd., 12. Keshava Nand Pandey, 13. SMVD Financial Consultants, 14. Jewel Garments Private Limited, 15. Bahar Paper Private Limited / Koda Malia, 16. Dynamic Global Propfranchises Private Limited, 17. Ajit Singh Dua, 18. Leena Batra, 19. Man Mohan Singh Dua, 20. Ajay Kumar Kapoor HUF, 21. Ajay Kumar Kapoor, 22. Kamallesh Shantilalji Jain, 23. Shatanand Sharma Sons HUF, 24. Sunvision Infotech

Pvt.Ltd., 25. Vijay Kapoor, 26. Rajan Ghosh, 27. Brijesh Sharma, 28. Sarita Gupta, 29. Vandana Singh, 30. Rohtas Kumar Jaiswal, 31. D.D.Kothari, 32. Darshan J.Kothari, 33. Praveen Kumar Agarwal HUF, 34. SMVD Securities Private Ltd., 35. Umesh Chand Jain and Sons HUF, 36. Umesh Chand Jain , 37. Markup Trading Pvt. Ltd. and 38. Gamut Exports Ltd. (hereinafter referred to as Group I entities), connected to each other by one way or the other, had dealt in the scrip of RIL in a fraudulent and manipulative manner, without real change in beneficial ownership of shares, by indulging in synchronized trades, structured trades, circular trades, self trades and cross deals, thereby, creating artificial volumes and price rise in the scrip of RIL. Further, certain entities belonging to the said Group I had also contributed significantly to the positive Last Traded Price (LTP), created New High Price (NHP) and entered into First Trades which further created positive LTP, thereby, manipulating the price of the scrip of RIL.

6. It was also observed that three entities belonging to the Group I entities namely, Mastermind Traxim P. Ltd, Markup Trading P. Ltd and Gamut Exports P. Ltd, all three connected to RIL, had facilitated the Group I entities in creating artificial volumes and manipulating the price of the scrip of RIL by providing them 4,49,900 shares of RIL through off-market transfers.
7. Further, during the investigation period, in order to further investigate into the off market transfer of shares between the above Group I entities, details with respect to the off-market transfers like, details of consideration paid, if any, by the entity who had received shares and the relationship of the entities with one another were sought from various entities including Danesh Pandit, Mastermind Traxim P.Ltd, Markup Trading P.Ltd, Atul Tomar and Dynamic Global Propfranchises Ltd vide summons dated April 16, 2013. Another summons was sent to certain entities including Atul Tomar vide letter dated July 31, 2013. However, it was observed that despite the said summons being received by Mastermind Traxim P.Ltd and Atul Tomar, they had failed to submit any reply to the summons so issued.
8. During the period from September 01, 2009 to December 31, 2009, another 20 group of entities namely, 1. Eminence Capital Services / Naresh Gupta, 2. Govindji

Gupta, 3. Rama Rani, 4. Govardhan Lal, 5. Nitin Chadha, 6. Almondz Entertainment Private Limited, 7. Gaurav Gupta, 8. Ishan Chadha, 9. Global Wealth Creators, 10. Punit Kapoor, 11. Robart, 12. Sarika Gupta, 13. Doctor Saurabh Gupta, 14. Anjani, 15. Sandeep Kumar Gupta, 16. Sudheshwar Kumar Gupta, 17. Rajeev / Rajiv Gupta, 18. Shalu Kapoor, 19. Monika Gupta and 20. Firstcall Consultancy Services Private Ltd. (hereinafter referred to as Group II), connected to each other by one way or the other, had also dealt in the scrip of RIL in a fraudulent and manipulative manner, without real change in beneficial ownership of shares, by indulging in synchronized and circular trades, thereby, creating artificial volumes in the scrip of RIL.

9. The investigation also *inter alia* revealed that Stock Broker namely, DBS Cholamandalam Securities being on the buy and sell side for its clients (entities forming part of Group I and Group II) was observed to have aided and abetted its clients in executing the manipulative and fraudulent trades i.e. circular trades, synchronized trades, structured trades and self trades which resulted in creation of artificial volume and price manipulation.
10. Subsequent to the remand of the matter, the Notice of hearing along with an opportunity to submit additional reply was issued to the Noticees. It is noted that the Notice issued to Ajay Kumar HUF, Almondz Entertainment Private Limited, Atul Tomar, Monika Gupta, Govardhan Lal, Rajeev Gupta and Rama Rani returned undelivered and the same were served through affixture. Further, Nitin Chadha and Ishan Chada submitted their reply vide their email dated June 21, 2018 and April 6, 2020. Further, Cholamandalam securities availed the opportunity of hearing on August 10, 2018 and March 5, 2020 and reiterated their earlier submissions and further filed additional submissions vide letter dated March 16, 2020. Further, the group of entities viz., Shatanand Sharma Sons HUF, SMVD Financial Consultants, Ms. Brijesh Sharma, SUMU Consultancy Pvt. Ltd. and SMVD Securities Pvt. Ltd vide their letter submitted that their earlier submissions before the previous AO may be considered in the instant matter as well. The entity Jewel Garments availed the opportunity of hearing on August 6, 2018 and submitted that their earlier submission may be considered for the purpose of instant adjudication proceedings vide their letter received on September 4, 2018. Sunvision also submitted that their

earlier submission may be considered for the purpose of instant adjudication proceedings. Further, Noticee Vijay Kapoor availed an opportunity of hearing on September 05, 2018 and reiterated the earlier submissions. Further, the Noticees Darshan J Kothari and Dhvani D Kothari submitted their replies September 24, 2019 and availed the opportunity of hearing on February 26, 2020 and further submitted additional submissions vide letter dated March 7, 2020. Further, Mr. Manohan Singh Dua, Ajit Singh Dua and Dynamic Global availed the opportunity of hearing on July 17, 2018 and submitted their reply vide email dated August 1, 2018 and they further availed the opportunity of hearing on March 17, 2018. Further, Atul Tomar vide his reply dated August 10, 2018 submitted that his earlier submissions shall be considered as his reply in the instant proceedings. Since the remaining Noticees failed to reply and avail the opportunity of hearing inspite of providing the opportunities for the same, I proceed further based on the submissions that are already made by them in the instant matter.

### **Consideration of Issues, Evidence and Findings**

11. I have carefully perused the charges leveled against the Noticees in the SCN, written submissions made by them and all the documents available on record. In the instant matter, the following issues arise for consideration and determination:
  - a. *Whether the Noticees - 1, 3, 4, 5, 18, 19, 20 and 25 violated the provisions of Section 12A (a), (b) & (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations?*
  - b. *Whether the Noticee - 2 violated the provisions of Section 12A (a), (b) & (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (b), (d), (e) & (g) of the PFUTP Regulations?*
  - c. *Whether the Noticees - 6 to 17 and 21 to 24 have violated the provisions of Section 12A(a), (b) & (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a) & (g) of the PFUTP Regulations?*
  - d. *Whether the Noticees - 1 and 2 have violated the provisions of Section 11C(2) and 11C(3) of the SEBI Act?*
  - e. *Whether the Noticee - 25 violated the provisions of Clause A of the code of conduct as specified under Schedule II of the Broker Regulations read*

*with Regulation 7 of the said Regulations?*

*f. Do the violations, if any, on the part of the Noticees attract monetary penalty under Section 15A(a), 15HA and 15HB of the Act?*

*g. If so, what should be the quantum of monetary penalty that can be imposed on the Noticees taking into consideration the factors as mentioned under Section 15 J of the Act?*

12. Before proceeding forward, I would like to refer to the relevant provisions of the SEBI Act, PFUTP Regulations and the Broker Regulations, which read as under:

**Relevant provisions of the SEBI Act:**

**Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.**

**12A.** *No person shall directly or indirectly –*

*(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made there under;*

*(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;*

*(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made there under;*

**11C. Investigation**

**(2)** *Without prejudice to the provisions of sections 235 to 241 of the Companies Act, 1956 ( 1 of 1956 ), it shall be the duty of every manager, managing director, officer and other employee of the company and every intermediary referred to in section 12 or every person associated with the securities market to preserve and to produce to the Investigating Authority or any person authorized by it in this behalf, all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power;*

*(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorized by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*

**Relevant provisions of the 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;*

*(c).....*

*(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;*

*(e) any act or omission amounting to manipulation of the price of a scrip*

*(f).....*

*(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;*

**Relevant provisions of Broker Regulations:**

***Stock brokers to abide by Code of Conduct.***

*7. The stock broker holding a certificate shall at all times abide by the Code of Conduct as specified in Schedule II.*

**SCHEDULE II**

**CODE OF CONDUCT FOR STOCK BROKERS**

**[Regulation 7]**

***A. General.***

*(1) Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.*

*(2) Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.*

*(3) Manipulation: A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.*

*(4) Malpractices: A stock Broker shall not create false market either singly or in concert with others or indulge in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market. A stock-broker shall not involve himself in excessive speculative business in the market beyond reasonable levels not commensurate with his financial soundness.*

*(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and all rules, regulations issued by the Government, the Board and the Stock Exchanges from time to time as may be applicable to him.*

13. Before proceedings further, I find it pertinent to primarily note that the a common SCN in the matter was issued to 60 entities whereas charges against 25 of the said Noticees are before me for consideration in the instant matter pursuant to the

remanding back by the Hon'ble SAT. Considering that the Noticees in the instant matter (except the Broker, Cholamandalam) are forming part of 2 groups separately along with other Noticees to whom the common SCN was issued as mentioned above, I am of the opinion that the connection of all the entities with each other and their contributions to the charges are to be seen in entity as the charge is emanating from the trades carried out by the instant 25 Noticees allegedly in association with the entities belonging to the respective groups they are part of. Accordingly, I proceed further by taking into consideration the trades of all the 60 entities wherever deemed relevant to the charges against the Noticees in the instant matter.

14. I find from the SCN that RIL is a company incorporated in the year 1993 and the shares of RIL were listed at BSE during the year 2006. During the period of investigation the scrip was traded on 264 trading days for 57,850 trades for a total traded quantity of 1,24,48,074 shares. Further, during the period from December 01, 2008 to December 31, 2009, a group of 35 entities (hereinafter referred to as Group I) namely, , Danesh Pandit, Rajan Srivastava, Sheo Shankar Dubey, , Vinay Jain, Abhi Capital Services Limited, Sudesh Jain, Narender Kumar, Goodfaith Cement Pvt.Ltd., Keshava Nand Pandey, Bahar Paper Private Limited / Koda Malia, , Leena Batra, Ajay Kumar Kapoor, Rajan Ghosh, Sarita Gupta, Vandana Singh, Rohtas Kumar Jaiswal, Praveen Kumar Agarwal HUF, , Umesh Chand Jain and Sons HUF and Umesh Chand Jain aalong with some of the Noticees in the matter viz., Atul Tomar, Sumu Consultancy Private Limited, SMVD Financial Consultants, Jewel Garments private Limited, Dynamic Global Propfanchises Private Limited, Ajit Singh Dua, Man Mohan Singh Dua, Ajay Kumar Kapoor HUF, Kamalesh Shantilalji Jain, Shatanand Sharma Sons HUF, Sunvision Infotech Pvt.Ltd., Vijay Kapoor, Brijesh Sharma, Dhvani.D.Kothari, Darshan J.Kothari and SMVD Securities Private Ltd. all connected to one another by one way or the other, had traded heavily in the scrip of RIL. It is also noted that three entities viz. Mastermind Traxim P. Ltd, Markup Trading P. Ltd and Gamut Exports P. Ltd, all three connected to RIL, had transferred 4,49,900 shares of RIL through off-market transfers to certain entities from the 35 group entities which had allegedly facilitated the Group I entities to trade in the scrip of

RIL. The relationship between the Group I entities and their connection with the each other is detailed as under:

The common directors details of Richa Industries Ltd. with the details obtained for connected companies which are obtained from Ministry of Corporate Affairs (MCA) is tabulated below:

Director in company	Name of Directors							
	Sushil Gupta	Sandeep Gupta	Deepak Agarwal	Kamal Deep Yadav	Manish Gupta	Mohan Kumar	Neeraj Kumar	Sanjay Kumar
Richa Industries Ltd.	Director	Director			Director			
Aureole Softwares Pvt. Ltd.				Director		Director	Director	
Gamut exports Pvt Ltd	Director		Director		Director	Director		
Markup Trading Pvt. Ltd.			Director			Director		
Mastermind Traxim Pvt. Ltd.		Director						Director
Subhlabh Garments Pvt. Ltd.			Director			Director		
Sunvision Infotech Pvt Ltd				Director		Director	Director	

In addition to common directors, the other connections among these Group I entities is as under-

- i. Gamut Exports Private Limited, Subhlabh Garments Pvt. Ltd., Sunvision Infotech Pvt. Ltd., Aureole Softwares Pvt. Ltd. and Markup Trading Pvt. Ltd. have common director viz. Mohan Kumar.
- ii. Residential address of Mohan Kumar and address of the companies Gamut Exports Pvt. Ltd., Markup Trading Pvt. Ltd. and Sulabh Garments Pvt. Ltd. is same i.e. H.No. 1858, Adarsh Nagar, Ballabgarh, Faridabad, Haryana-121004.
- iii. Sunvision Infotech Pvt. Ltd. and Aureole Softwares Pvt. Ltd. have common address viz. First Floor, 44, Gali No. 3, Village Kotla, Mayur Vihar – I, Delhi.
- iv. Gamut Exports Pvt. Ltd., Markup Trading Pvt. Ltd. Mastermind Traxim Pvt. Ltd. and Sulabh Garments Pvt. Ltd. have common email id viz. auminfo2007@gmail.com.

- v. Mastermind Traxim Pvt. Ltd. has another email id i.e. aumadvisors@gmail.com which is common with the email id of Sunvision Infotech Ltd.
- vi. Shri Sushil Gupta, Director of Richa Industries Ltd. was also director of Gamut Exports Pvt. Ltd. A letter dated 01/04/2010 confirming his consent to act as director of Gamut Exports Pvt. Ltd. is available on MCA website.
- vii. Shri Sandeep Gupta, Director of Richa Industries Ltd. was also director of Mastermind Traxim Ltd. A letter dated 01/04/2010 confirming his consent to act as director of Mastermind Traxim Ltd. is available on MCA website.
- *Even though the above entities are connected to RIL, their shareholding in RIL is shown under Public Shareholding category in place of shareholding of Promoter and Promoter group entity.*

**CONNECTION TABLE BETWEEN THE GROUP I ENTITIES:**

Name of the entity	PAN	Basis of connection
Abhi Capital Services Limited	AAACA5419N	<ul style="list-style-type: none"> <li>Received 31,601 shares in off market from Vinay Jain</li> <li>Received 4,943 shares in off market from Sudhesh Jain</li> </ul>
Ajay Kumar Kapoor	AAQPK8718F	<ul style="list-style-type: none"> <li>Received 86,500 shares from Narendra Kumar and Danesh Pandit(55,000 shares). Sold back majority of shares to Narendra Kumar and Danesh Pandit in on market. A beneficiary for Ajay Kumar Kapoor HUF</li> </ul>
Ajay Kumar Kapoor HUF	AAIHA3249R	<ul style="list-style-type: none"> <li>Received 16,500 shares from Danesh Pandit. Sold back in on market to Group I entities i.e. Rajan Shrivastava, Sheo Shankar Dubey, Jewel Garments Pvt. Ltd., Sumu Consultancy Pvt. Ltd. etc. Have a beneficiary named Ajay Kumar Kapoor.</li> </ul>
Ajit Singh Dua	AAHPD3717G	<ul style="list-style-type: none"> <li>Shares common email id <a href="mailto:MSD9999@rediffmail.com">MSD9999@rediffmail.com</a> with Manmohan Singh Dua and Dynamic Global Propfranchises Pvt. Ltd. KYC of Ajit Singh Dua is available on record.</li> <li>Shares mobile number 9810057216 with Manmohan Singh Dua Pvt. Ltd</li> <li>Indulged in cross deals with Dynamic Global Propfranchises Pvt. Ltd. and his father Manmohan Singh Dua</li> <li>Transferred 4,664 shares in off market to Narendra Kumar</li> <li>Transferred 2000 shares in off market to Dynamic Global Propfranchises Pvt. Ltd.</li> </ul>
Atul Tomar	ABCPT0476A	<ul style="list-style-type: none"> <li>Employee of Richa Industries Ltd.</li> <li>Shares contact number i.e. 9311275267 as that of Danesh Pandit, Rajan Shrivastava, Sheoshankar Dubey and SMVD Financial Consultant (Proprietor Shatanand Sharma) KYCs available on record.</li> <li>Indulged in circular / reversal trades, structured trades, synchronized trades leading to creation of artificial volume and price rise.</li> <li>Received 3,203 shares in off market to Danesh Pandit</li> <li>Received in off market 1,13,300 shares from Rajan Shrivastava</li> <li>Received in off market 2,250 shares from Sheo Shankar Dubey</li> <li>Received 31,096 shares in off market from Shatanand Sharma</li> <li>Transferred 4,675 shares in off market to Narendra Kumar</li> <li>Transferred 41,768 shares in off market to Danesh Pandit</li> <li>Transferred 57,730 shares in off market to Vandana Singh</li> </ul>
Bahar Paper Pvt. Ltd.	AACCB4484G	<ul style="list-style-type: none"> <li>Shares common directors Pramod Sharma and Koda Malia with Goodfaith Cement Pvt. Ltd. KYC of Bahar Paper Pvt. Ltd. and Goodfaith Cement Pvt. Ltd.is available on record.</li> <li>Koda Malia and Bahar Paper traded using same PAN</li> </ul>

		<ul style="list-style-type: none"> <li>Transferred 49,000 shares in off market to Narender Kumar &amp; 500 shares to Sarita Gupta</li> </ul>
Brijesh Sharma	AGGPS7650A	<ul style="list-style-type: none"> <li>Wife of Shatanand Sharma, indulged in circular trades and synchronized trades with Group I entity Narendra Kumar. Shares email id <a href="mailto:shatasharma@yahoo.com">shatasharma@yahoo.com</a> with SMVD Financial Consultant/Shatanand Sharma</li> </ul>
Danesh Pandit	AMHPP1418N	<ul style="list-style-type: none"> <li>Shares contact number i.e. 9311275267 as that of Atul Tomar, Sheoshankar Dubey, Rajan Shrivastava and SMVD Financial Consultant (Proprietor Shatanand Sharma)</li> <li>Indulged in circular / reversal trades, structured trades, synchronized trades leading to creation of artificial volume and price rise.</li> <li>Received 1,18,080 shares in off market from Mastermind Traxim Pvt. Ltd.</li> <li>Received 5,000 shares in off market from Rajan Shrivastava and 5,000 shares from Shatanand Sharma</li> <li>Transferred 55,000 shares in off market to Ajay Kumar Kapoor and 16,500 shares to Ajay Kumar Kapoor HUF</li> <li>Transferred 3,203 shares in off market to Atul Tomar and 32,335 shares to Leena Batra</li> <li>Transferred 1,00,000 shares in off market to Sheo Shankar Dubey</li> </ul>
Darshan Kothari	ALYPK1375K	<ul style="list-style-type: none"> <li>Received 50,000 shares in off market from Bahar Paper Pvt. Ltd. Sold 40,000 shares in on market to Bahar Paper Pvt. Ltd. Related to (Husband of) Dhvani Darshan Kothari</li> </ul>
Dhvani Darshan Kothari	AYCPK4308B	<ul style="list-style-type: none"> <li>Received 10,000 shares in off market from Bahar Paper Pvt. Ltd. Sold 10,000 shares in on market to Bahar Paper Pvt. Ltd. Related to (wife of) Darshan Kothari</li> </ul>
Dynamic Global Propfranchises Pvt. Ltd.	AACCD1040L	<ul style="list-style-type: none"> <li>Shares common email id <a href="mailto:MSD9999@rediffmail.com">MSD9999@rediffmail.com</a> with Manmohan Singh Dua and Ajit Singh Dua. KYC of Dynamic Global Propfranchises is available on record.</li> <li>Received 1,18,000 shares in off market Markup Trading Pvt. Ltd.</li> <li>Shares mobile No. 9810011889 with Manmohan Singh Dua Pvt. Ltd.</li> <li>Indulged in cross deals with Manmohan Singh Dua and Ajit Singh Dua</li> </ul>
Gamut Exports Pvt. Ltd.	AADCG1655R	<ul style="list-style-type: none"> <li>Share common Director Sushil Gupta with Richa Industries Ltd.</li> <li>Share common Director Mohan Kumar with Markup Trading Pvt. Ltd.</li> <li>Shares same address of Markup Trading Pvt. Ltd. and Mohan Kumar</li> <li>Shares common email id <a href="mailto:auminfo2007@gmail.com">auminfo2007@gmail.com</a> with Markup Trading Pvt. Ltd. and Mastermind Traxim Pvt. Ltd.</li> <li>Transferred 1,68,820 shares in off market to Narender Kumar</li> </ul>
Goodfaith Cement Pvt. Ltd. and its Directors	AACCG1930A	<ul style="list-style-type: none"> <li>As per KYC from Royal Bank of Scotland – Pramod Sharma and Koda Malia were Directors. Shares these directors with Bahar Paper Pvt. Ltd. Shares Pramod Sharma as director with Mangalmayee Hirise Pvt. Ltd. Indulged in circular and synchronized trading.</li> <li>Transferred 58,300 shares to Rohtas Kumar Jaiswal in off market</li> <li>Transferred 59,500 shares to Sarita Gupta in off market</li> </ul>
Jewel Garments Pvt. Ltd.	AABCJ9694B	<ul style="list-style-type: none"> <li>A promoter group related entity</li> <li>Indulged in synchronized trading with Group I entities</li> </ul>
Kamalesh Shantilal Jain	AAFPJ2745J	<ul style="list-style-type: none"> <li>Received 1,31,902 shares in off market from Sheo Shankar Dubey</li> <li>Received 60,405 shares in off market from Narendra Kumar</li> </ul>
Keshava Nand Pandey	ANLPP6434B	<ul style="list-style-type: none"> <li>Transferred 5,000 shares Narendra Kumar in off market</li> </ul>
Leena Batra	AJLPB2744A	<ul style="list-style-type: none"> <li>Received in off market 95,835 shares from Rajan Shrivastava(63,500 shares) and Danesh Pandit(32,335). Sold back in on market to connected entities Rajan Shrivastava,</li> </ul>

		Danesh Pandit, Jewel Garments Pvt. Ltd., Atul Tomar, Sheo Shankar Dubey etc.
Manmohan Singh Dua	AAGPD4794C	<ul style="list-style-type: none"> <li>• Shares common email id <a href="mailto:MSD9999@rediffmail.com">MSD9999@rediffmail.com</a> with Dynamic Global Propfranchises Pvt. Ltd. and Ajit Singh Dua</li> <li>• Shares mobile number 9810011889 with Dynamic Global Propfranchises Pvt. Ltd.</li> <li>• Shares mobile number 9810057216 with Ajit Singh Dua Pvt. Ltd</li> <li>• Indulged in cross deals with Dynamic Global Propfranchises Pvt. Ltd. and his son Ajit Singh Dua</li> <li>• Transferred 18,884 shares to Narendra Kumar</li> </ul>
Markup Trading Pvt. Ltd.	AAFCM5760R	<ul style="list-style-type: none"> <li>• Share common director Deepak Agarwal with Richa Industries.</li> <li>• Share common Director Mohan Kumar with Gamut Exports Pvt. Ltd.</li> <li>• Shares same address Gamut Exports Pvt. Ltd. and Mohan Kumar</li> <li>• Shares common email id <a href="mailto:auminfo2007@gmail.com">auminfo2007@gmail.com</a> with Gamut Exports Pvt. Ltd. and Mastermind Traxim Pvt. Ltd.</li> <li>• Transferred 1,18,000 shares in off market to Dynamic Global Propfranchises Pvt. Ltd</li> </ul>
Mastermind Traxim Pvt. Ltd.	AAFCM5759E	<ul style="list-style-type: none"> <li>• Share common Directors Sushil Gupta and Sandeep Gupta with Richa Industries Ltd.</li> <li>• Shares common email id <a href="mailto:auminfo2007@gmail.com">auminfo2007@gmail.com</a> with Gamut Exports Pvt. Ltd. and Markup Trading Pvt. Ltd.</li> <li>• Transferred 1,18,080 shares in off market to Danesh Pandit</li> </ul>
Narender Kumar	AXCPK5271G	<ul style="list-style-type: none"> <li>• Share address with Sumu Consultancy Private Limited and Atul Tomar. Received 1,68,820 shares in off market from Gamut Exports Pvt. Ltd</li> <li>• Received in off market 40,928 shares from Sheoshankar Dubey and transferred 95,000 shares to Sheo Shankar Dubey</li> <li>• Received in off market 49,000 shares in off market from Bahar Paper Pvt. Ltd.</li> <li>• Received in off market 18,884 shares in off market from Manmohan Singh Dua</li> <li>• Received in off market 10,000 shares in off market from Vinay Jain</li> <li>• Received in off market 4,664 shares in off market from Ajit Singh Dua</li> <li>• Received in off market 5,000 shares from Keshava Nand Pandey</li> <li>• Received in off market 4,675 shares from Atul Tomar and 1467 shares from Rajan Shrivastava</li> <li>• Transferred 60,405 shares in off market to Kamallesh Shantilal Jain</li> <li>• Transferred 24,000 shares in off market to Umesh Chand Jain</li> <li>• Transferred 31,500 shares in off market to Ajay Kumar Kapoor</li> <li>• Transferred 32,335 shares in off market to Danesh Pandit</li> </ul>
Praveen Kumar Agarwal HUF	AAIHP6229C	<ul style="list-style-type: none"> <li>• Indulged in synchronized trades with Goodfaith Cement Pvt. Ltd. and Sumu Consultancy Pvt. Ltd. Sold 1,03,350 shares in 39 trades which were synchronized to the above two entities.</li> </ul>
Rajan Ghosh	AMSPG0605	<ul style="list-style-type: none"> <li>• As informed by BSE in its examination report, SMVD Financial Consultants Pvt. Ltd. was earlier known as Sumu Consultancy Pvt. Ltd. Shri Shatanand Sharma is its Director in place of Rajan Ghosh and Sushil Kumar are promoter directors of Sumu Consultancy Pvt. Ltd.</li> </ul>
Rajan Shrivastava	ARQPS6069Q	<ul style="list-style-type: none"> <li>• Shares contact number i.e. 9311275267 as that of Atul Tomar, Danesh Pandit, Sheoshankar Dubey and SMVD Financial Consultant (Proprietor Shatanand Sharma)</li> <li>• Indulged in circular / reversal trades, structured trades, synchronized trades leading to creation of artificial volume and price rise.</li> <li>• Transferred in off market 1,13,300 shares to Atul Tomar and 5,000 shares to Danesh Pandit</li> <li>• Transferred in off market 63,500 shares to Leena Batra</li> </ul>

Rohtas Kumar Jaiswal	ADMPJ6212A	<ul style="list-style-type: none"> <li>Received 58,300 shares in off market from Goodfaith Cement Pvt. Ltd. and indulged in synchronized trades with Goodfaith Cement Pvt. Ltd.</li> </ul>
Sarita Gupta	AMJPG8952E	<ul style="list-style-type: none"> <li>Received 59,500 shares in off market from Goodfaith Cement Pvt. Ltd. and 500 shares from Bahar Paper Pvt. Ltd. Sold back majority of shares in on market to Bahar Paper Pvt. Ltd., Goodfaith Cement Pvt. Ltd., Sheo Shankar Dubey, Atul Tomar</li> </ul>
Shatanand Sharma	ABGPS0969K	<ul style="list-style-type: none"> <li>He was introducer to many clients viz., Danesh Pandit, Rajan Shrivastava, Rajan Ghosh, Sumu Consultancy Pvt. Ltd., Leena Batra who were found to be indulged in synchronized trading, circular/reversal trading and self trades resulting in creation of artificial volume and price rise.</li> <li>He has made off market transfer of 10,000 shares to Goodfaith Cement Pvt. Ltd. on 6/11/2008</li> <li>Shatanand Sharma transferred in off market 31,096 shares to Atul Tomar and 5,000 shares to Danesh Pandit</li> <li>Shares email Id shatasharma@yahoo.com with Smt. Brijesh Sharma</li> <li>Shatanand Sharma is whole time director of SMVD Securities Ltd.</li> </ul>
Shatanand Sharma and Sons HUF	AAQHS0327A	<ul style="list-style-type: none"> <li>HUF of Shatanand Sharma who indulged in circular trades and synchronized trade with Group 1 entities wherein Jewel Garments Pvt. Ltd., Atul Tomar, Danesh Pandit and Sheo Shankar Dubey were counter party clients to its sell orders</li> </ul>
SMVD Financial Consultant	ABGPS0969K	<ul style="list-style-type: none"> <li>SMVD Financial Consultant (Proprietor Shatanand Sharma) was sharing common contact number i.e. 9311275267 with Atul Tomar, Danesh Pandit, Sheoshankar Dubey, Rajan Shrivastava</li> <li>SMVD Financial Consultant transferred in off market 92,612 shares to Atul Tomar, 10,000 shares to Shatanand Sharma and 80,000 shares to Sheo Shankar Dubey</li> <li>As informed by BSE in its examination report, SMVD Financial Consultants Pvt. Ltd. was earlier known as Sumu Consultancy Pvt. Ltd. &amp; Shri Shatanand Sharma was its Director</li> <li>SMVD Securities and SMVD Financial Consultant shares same address i.e. F27a 1st Floor Near Gurdwara Madhu Vihar Patpar Ganj, Delhi, Delhi, India, 110092 and same landline No. (011) 43014444</li> </ul>
SMVD Securities Pvt. Ltd.	AAJCS9127L	<ul style="list-style-type: none"> <li>Shatanand Sharma is whole time director of SMVD Securities Ltd.</li> <li>SMVD Securities is found to have involved in structured trades.</li> <li>SMVD Securities and SMVD Financial Consultant shares same address i.e. F27a 1st Floor Near Gurdwara Madhu Vihar Patpar Ganj, Delhi, Delhi, India, 110092 and same landline No. (011) 43014444</li> </ul>
Sheoshankar Dubey	AADPD7086Q	<ul style="list-style-type: none"> <li>Shares contact number i.e. 9311275267 as that of Atul Tomar, Danesh Pandit, Rajan Shrivastava and SMVD Financial Consultant (Proprietor Shatanand Sharma)</li> <li>Indulged in circular / reversal trades, structured trades, synchronized trades leading to creation of artificial volume and price rise.</li> <li>Sheo Shankar Dubey transferred 1,31,902 shares to Kamalesh Shantilal Jain and 40,928 shares to Narendra Kumar</li> <li>Received 1,00,000 shares in off market from Danesh Pandit</li> <li>Transferred in off market 2,250 shares to Atul Tomar and 25,000 shares to Vijay Kapoor</li> <li>Transferred 48,000 shares in off market to Umesh Chand Jain</li> </ul>
Sudhesh Jain	AGAPJ3001A	<ul style="list-style-type: none"> <li>Transferred 4,943 shares in off market to Abhi Capital Services Ltd.</li> </ul>
Sumu Consultancy Private Ltd.	AAKCS4359M	<ul style="list-style-type: none"> <li>Indulged in circular / reversal trades, structured trades, synchronized trades alongwith Rajan Shrivastava, Danesh Pandit, Atul Tomar, Sheoshankar Dubey leading to creation of artificial volume and price rise.</li> <li>Share address with Narender Kumar and Atul Tomar</li> <li>As informed by BSE in its examination report, SMVD Financial Consultants Pvt. Ltd. was earlier known as Sumu Consultancy Pvt. Ltd. Shri Shatanand Sharma is its Director in place of Rajan</li> </ul>

		Ghosh and Sushil Kumar are promoter directors of Sumu Consultancy Pvt. Ltd. <ul style="list-style-type: none"> <li>• Shares address with SMVD Securities Ltd. i.e. No. 305-306 /12, Preet Vihar Commercial Complex , Preet Vihar, New Delhi, Delhi, India, 110092</li> </ul>
Sunvision Infotech Pvt.Ltd	AAKCS1185K	<ul style="list-style-type: none"> <li>• Indulged in circular, structured trades and synchronized trading with Kamlesh Shantilal Jain, Narendra Kumar, Vinay Jain, Keshavanand Pandey, Abhi Capital Services Ltd.</li> </ul>
Umesh Chand Jain	AAFPJ4475K	<ul style="list-style-type: none"> <li>• Received in off market 24,000 shares from Narendra Kumar and 48,000 Shares from Sheo Shankar Dubey. Sold back majority of shares to Group I entities i.e. Narendra Kumar, Vand Keshavanand Pandey in on market. A beneficiary for Umesh Chand Jain HUF</li> </ul>
Umesh Chand Jain & sons HUF	AAAHU0207K	<ul style="list-style-type: none"> <li>• Received 9,500 shares from Sheo Shankar Dubey. Sold back majority of shares to Group I entities i.e. Vinay Jain and Sudhesh Jain in on market. Have a beneficiary named Umesh Chand Jain</li> </ul>
Vandana Singh	BKZPS8236E	<ul style="list-style-type: none"> <li>• Received 57,730 shares in off market from Atul Tomar. Sold back in on market to Group I i.e. Atul Tomar, Rajan Shrivastava, Sheo Shankar Dubey, Jewel Garments Pvt. Ltd., Sumu Consultancy Pvt. Ltd. etc.</li> </ul>
Vijay Kapoor	AJZPK2378P	<ul style="list-style-type: none"> <li>• Received in off market 98,000 shares from Narendra Kumar and Sheo Shankar Dubey(25,000 shares). Sold back to connected entities in on market i.e. Narendra Kumar, Abhi Capital Services, Vinay Jain etc</li> </ul>
Vinay Jain	AGAPJ3002D	<ul style="list-style-type: none"> <li>• Transferred 31,601 shares in off market to Abhi Capital Services Limited</li> <li>• Transferred 15,000 shares to Narendra Kumar in off market on 20/10/2009</li> <li>• Entered into various synchronized trades with other connected entities i.e. Abhi Capital Services Ltd., Sunvision Infotech Ltd. and Narendra Kumar</li> </ul>

15. The gross buy, gross sell and net traded volume of the Group I entities during the investigation period is as under:

Sl. No.	Name of entity	PAN	Gross Buy	Gross Buy % to total Buy Vol. of Group	Gross Sell	Gross Sell % to total sell Vol. of Group	Net Trade	Net trade % to total trade vol of group
1	ABHI CAPITAL SERVICES LTD.	AAACA5419N	369046	6.22	420396	8.19	-51350	-1.97
2	AJAY KUMAR HUF	AAIHA3249R	0	0.00	16500	0.32	-16500	-0.32
3	AJAY KUMAR KAPOOR	AAQPK8718F	0	0.00	86500	1.68	-86500	-1.68
4	AJIT SINGH DUA	AAHPD3717G	112519	1.90	105024	2.05	7495	-0.15
5	ATUL TOMAR	ABCPT0476A	340918	5.75	325066	6.33	15852	-0.59
6	BAHAR PAPER PRIVATE LTD. /KODAMALIA	AACCB4484G	338550	5.71	0	0.00	338550	5.71
7	BRIJESH SHARMA	AGGPS7650A	0	0.00	8152	0.16	-8152	-0.16
8	D D KOTHARI	AYCPK4308B	0	0.00	10000	0.19	-10000	-0.19
9	DANESH PANDIT	AMHPP1418N	399226	6.73	372300	7.25	26926	-0.52

10	<b>DARSHAN J KOTHARI</b>	ALYPK1375K	0	0.00	50000	0.97	-50000	-0.97
11	<b>DYNAMIC GLOBAL PROPFANCHISES PRIVATE LTD.</b>	AACCD1040L	120535	2.03	111418	2.17	9117	-0.14
12	GAMUT EXPORTS PVT. LTD.(*)	AADCG1655R	0	0	0	0	0	0
13	GOODFAITH CEMENT PVT LTD	AACCG1930A	746110	12.57	9956	0.19	736154	12.38
14	<b>JEWEL GARMENTS PRIVATE LTD.</b>	AABCJ9694B	459118	7.74	0	0.00	459118	7.74
15	<b>KAMALESH SHANTILALJI JAIN</b>	AAFJP2745J	0	0.00	192307	3.75	-192307	-3.75
16	KESHAVA NAND PANDEY	ANLPP6434B	88035	1.48	40442	0.79	47593	0.70
17	LEENA BATRA	AJLPB2744A	4126	0.07	99961	1.95	-95835	-1.88
18	<b>MAN MOHAN SINGH DUA</b>	AAGPD4794C	144981	2.44	125297	2.44	19684	0.00
19	MARKUP TRADING PVT. LTD. (*)	AAFPM5760R	0	0	0	0	0	0
20	<b>MASTERMIND TRAXIM PVT. LTD. (*)</b>	AAFPM5759E	0	0	0	0	0	0
21	NARENDER KUMAR	AXCPK5271G	358163	6.04	269064	5.24	89099	0.79
22	PRAVEEN KUMAR AGARWAL HUF	AAIHP6229C	0	0.00	103500	2.02	-103500	-2.02
23	RAJAN GHOSH	AMSPG0605P	0	0.00	6403	0.12	-6403	-0.12
24	RAJAN SHRIVASTAVA	ARQPS6069Q	629628	10.61	622073	12.12	7555	-1.51
25	ROHTAS KUMAR JAISWAL	ADMJP6212A	4500	0.08	62800	1.22	-58300	-1.15
26	SARITA GUPTA	AMJPG8952E	0	0.00	60000	1.17	-60000	-1.17
27	<b>SHATANAND SHARMA SONS HUF</b>	AAQHS0327A	0	0.00	3500	0.07	-3500	-0.07
28	SHEO SHANKAR DUBEY	AADPD7086Q	626765	10.56	641044	12.49	-14279	-1.92
29	<b>SMVD FINANCIAL CONSULTANTS</b>	ABGPS0969K	5851	0.10	7851	0.15	-2000	-0.05
30	<b>SMVD SECURITIES PRIVATE LTD</b>	AAJCS9127L	0	0.00	12100	0.24	-12100	-0.24
31	SUDESH JAIN	AGAPJ3001A	237524	4.00	158277	3.08	79247	0.92
32	<b>SUMU CONSULTANCY PRIVATE LTD</b>	AAKCS4359M	157764	2.66	113545	2.21	44219	0.45
33	<b>SUNVISION INFOTECH PVT.LTD</b>	AAKCS1185K	30078	0.51	410419	7.99	-380341	-7.49
34	UMESH CHAND JAIN	AAFJP4475K	0	0.00	62000	1.21	-62000	-1.21
35	UMESH JAIN AND SONS HUF CHAND	AAAHU0207K	0	0.00	9500	0.19	-9500	-0.19
36	VANDANA SINGH	BKZPS8236E	5001	0.08	67917	1.32	-62916	-1.24
37	<b>VIJAY KAPOOR</b>	AJZPK2378P	0	0.00	98000	1.91	-98000	-1.91
38	VINAY JAIN	AGAPJ3002D	755445	12.73	452514	8.81	302931	3.92
		<b>Grand Total</b>	<b>5933883</b>	<b>100.00</b>	<b>5133826</b>	<b>100</b>	<b>800057</b>	
	<b>Market Volume</b>		<b>12448074</b>	<b>47.67</b>	<b>1244807</b>	<b>4</b>	<b>41.24</b>	

(\*) They have not traded in on market but made off market transfers.

16. It was alleged from the above table that the Group-I entities had contributed for 47.67% of total purchases and 41.24% of total sell trading volume of the RIL during the relevant period among which the 17 Noticees viz., Atul Tomar, Sumu Consultancy Private Limited, SMVD Financial Consultants, Jewel Garments private Limited, Dynamic Global Propfranchises Private Limited, Ajit Singh Dua, Man Mohan Singh Dua, Ajay Kumar Kapoor HUF, Kamalesh Shantilalji Jain, Shatanand Sharma Sons HUF, Sunvision Infotech Pvt.Ltd., Vijay Kapoor, Brijesh Sharma, Dhvani.D.Kothari, Darshan J.Kothari and SMVD Securities Private Ltd. (hereinafter referred to as “**Noticees- Group I**”) were part of.
17. Further, I find that the Group I entities had allegedly indulged in various fraudulent and manipulative trades in the scrip of RIL which had created artificial volumes and impacted the price in the said scrip. The said alleged manipulative trades are dealt in detail below.

**Circular / Reversal of Trades:**

18. I find from the trade log analysis that the Group I entities had allegedly indulged in numerous circular trades among themselves during the relevant period. It was noted that 35 Group-I entities had entered into 23,327 circular trades in 22,605 buy orders and 4271 sell orders on 251 trading days. 37,46,287 shares i.e. 30.095% of the total traded volume 1,24,48,074 shares were bought and sold among the connected entities during the investigation period. These circular trades allegedly showed that there was no transfer of beneficial ownership but the shares were circulated among the group entities resulting in creation of artificial volume and price rise. It was also alleged that the said circular trades were executed through certain reversal trades, synchronized trades and structured trades. The said circular/reversal trades entered into by the Group I entities had contributed largely to the volumes in the scrip of RIL as compared to the total market volume on most of the days. The said analysis revealed that the scrip of RIL was thinly traded or illiquid and these entities had indulging in the said alleged circular/reversal trades only for creation of artificial volumes in the scrip. The top 10 days when the

contribution of these entities was maximum with respect to the market volume is as under -

Sl. No.	Date	Group-I volume	Total mkt volume	%age to total mkt volume
1	7-May-09	18882	18908	99.86
2	26-Feb-09	8003	8041	99.53
3	24-Mar-09	20824	20925	99.52
4	15-Jul-09	17000	17124	99.28
5	11-Jun-09	4219	4274	98.71
6	23-Dec-08	11205	11389	98.38
7	18-Aug-09	8196	8353	98.12
8	27-Mar-09	49726	50845	97.80
9	14-May-09	13514	13819	97.79
10	16-Jul-09	9985	10231	97.60

19. The day-wise circular trades percentage contributed by the Group I entities in descending order is as under:

Sl. No.	Date	Group-I's volume	Total mkt volume	%age to total mkt volume
1	7/May/09	18882	18908	99.86
2	26/Feb/09	8003	8041	99.53
3	24/Mar/09	20824	20925	99.52
4	15/Jul/09	17000	17124	99.28
5	11/Jun/09	4219	4274	98.71
6	23/Dec/08	11205	11389	98.38
7	18/Aug/09	8196	8353	98.12
8	27/Mar/09	49726	50845	97.80
9	14/May/09	13514	13819	97.79
10	16/Jul/09	9985	10231	97.60
11	6/Mar/09	17124	17577	97.42
12	24/Jun/09	7278	7492	97.14
13	26/Dec/08	10955	11305	96.90
14	5/May/09	9101	9425	96.56
15	26/Mar/09	43425	45041	96.41
16	1/Jul/09	21538	22354	96.35

17	19/Jan/09	12014	12487	96.21
18	8/May/09	30585	31803	96.17
19	8/Jul/09	19448	20240	96.09
20	25/Mar/09	10787	11243	95.94
21	17/Jun/09	25470	26596	95.77
22	19/Feb/09	9957	10403	95.71
23	12/May/09	10394	10870	95.62
24	1/Dec/08	10137	10668	95.02
25	22/Jun/09	19790	21016	94.17
26	9/Jan/09	11100	11877	93.46
27	30/Mar/09	53745	57613	93.29
28	13/Jul/09	19453	20999	92.64
29	11/Aug/09	14817	16055	92.29
30	14/Jul/09	18138	19657	92.27
31	15/May/09	11823	12828	92.17
32	14/Jan/09	9669	10542	91.72
33	19/Jun/09	8310	9098	91.34
34	29/Jun/09	33826	37210	90.91
35	29/Jul/09	10101	11123	90.81
36	15/Jan/09	6836	7535	90.72
37	11/May/09	18656	20632	90.42
38	22/Jul/09	11098	12321	90.07
39	3/Jul/09	24583	27312	90.01
40	27/Jul/09	9012	10058	89.60
41	30/Dec/08	7570	8469	89.38
42	29/Dec/08	14754	16517	89.33
43	20/Jul/09	6651	7545	88.15
44	26/May/09	3228	3675	87.84
45	9/Apr/09	6619	7537	87.82
46	6/Aug/09	14618	16704	87.51
47	6/May/09	22476	25790	87.15
48	28/Jul/09	9139	10499	87.05
49	7/Aug/09	19035	21900	86.92
50	23/Jan/09	9449	10890	86.77
51	26/Jun/09	22329	25834	86.43
52	14/Aug/09	12235	14167	86.36
53	1/Apr/09	17544	20417	85.93
54	23/Jun/09	10792	12561	85.92
55	3/Aug/09	10091	11826	85.33
56	12/Dec/08	9015	10565	85.33
57	23/Jul/09	7660	9108	84.10
58	30/Jul/09	9162	10921	83.89
59	15/Jun/09	2000	2387	83.79
60	8/Dec/08	10011	11983	83.54
61	2/Apr/09	8089	9738	83.07
62	24/Dec/08	8581	10359	82.84
63	22/Dec/08	15225	18400	82.74
64	5/Aug/09	17020	20577	82.71
65	18/Mar/09	52508	63582	82.58
66	10/Aug/09	12918	15823	81.64
67	24/Jul/09	4632	5714	81.06
68	4/May/09	8141	10113	80.50

69	31/Dec/08	10429	13023	80.08
70	3/Dec/08	7960	9960	79.92
71	17/Aug/09	14658	18612	78.76
72	13/May/09	4447	5670	78.43
73	31/Jul/09	11434	14655	78.02
74	9/Mar/09	46666	60596	77.01
75	6/Feb/09	24200	31611	76.56
76	17/Mar/09	52405	68556	76.44
77	21/Jul/09	5700	7475	76.25
78	6/Apr/09	3299	4384	75.25
79	4/Jun/09	4977	6637	74.99
80	2/Jun/09	5145	6925	74.30
81	15/Apr/09	4763	6428	74.10
82	16/Jun/09	3509	4769	73.58
83	7/Jan/09	4738	6489	73.02
84	7/Jul/09	23871	32728	72.94
85	28/May/09	21923	30457	71.98
86	9/Jun/09	10412	14696	70.85
87	1/Oct/09	57287	81402	70.38
88	8/Apr/09	5717	8269	69.14
89	19/Dec/08	16399	23836	68.80
90	21/Apr/09	24792	36057	68.76
91	13/Aug/09	9256	13611	68.00
92	5/Jan/09	19118	28216	67.76
93	28/Apr/09	45144	67590	66.79
94	6/Jan/09	11062	16583	66.71
95	25/Jun/09	1225	1856	66.00
96	10/Jul/09	14356	21761	65.97
97	25/Sep/09	111757	170985	65.36
98	5/Feb/09	36737	56319	65.23
99	20/Apr/09	5178	8005	64.68
100	17/Jul/09	5400	8427	64.08
101	17/Dec/09	19751	30928	63.86
102	23/Mar/09	22393	35436	63.19
103	12/Aug/09	9314	14883	62.58
104	17/Dec/08	7098	11364	62.46
105	19/Aug/09	7705	12428	62.00
106	18/Jun/09	27900	45163	61.78
107	12/Mar/09	36182	58825	61.51
108	10/Jun/09	12230	19912	61.42
109	27/May/09	21200	34730	61.04
110	30/Jan/09	14334	23763	60.32
111	29/May/09	5161	8639	59.74
112	22/Apr/09	28751	48418	59.38
113	29/Apr/09	28036	47335	59.23
114	12/Jan/09	11302	19285	58.61
115	9/Jul/09	9996	17102	58.45
116	19/Mar/09	33457	57694	57.99
117	4/Aug/09	9798	17068	57.41
118	31/Mar/09	52782	92359	57.15
119	16/Mar/09	16137	28460	56.70
120	10/Feb/09	25788	45670	56.47

121	2/Jul/09	20789	36842	56.43
122	5/Oct/09	32864	58638	56.05
123	28/Jan/09	11863	22231	53.36
124	2/Jan/09	26268	49850	52.69
125	3/Jun/09	6433	12285	52.36
126	13/Mar/09	22558	44173	51.07
127	1/Jan/09	6095	12055	50.56
128	5/Mar/09	14260	28395	50.22
129	23/Apr/09	9433	18786	50.21
130	7/Sep/09	80115	164005	48.85
131	30/Jun/09	13915	29347	47.42
132	27/Apr/09	38671	81914	47.21
133	3/Sep/09	20000	42529	47.03
134	6/Oct/09	76592	168845	45.36
135	5/Jun/09	10000	22281	44.88
136	10/Dec/08	3182	7098	44.83
137	1/Jun/09	3305	7493	44.11
138	20/Jan/09	7538	17568	42.91
139	6/Jul/09	11820	27575	42.86
140	15/Dec/08	6308	14842	42.50
141	11/Feb/09	15908	38156	41.69
142	13/Feb/09	18708	45751	40.89
143	22/Jan/09	8194	20724	39.54
144	11/Sep/09	59812	152126	39.32
145	12/Feb/09	17166	43789	39.20
146	22/Sep/09	64822	165676	39.13
147	27/Jan/09	6620	16941	39.08
148	16/Apr/09	5789	14906	38.84
149	2/Dec/08	7247	18789	38.57
150	13/Apr/09	3904	10173	38.38
151	26/Aug/09	35381	94512	37.44
152	16/Jan/09	5731	15386	37.25
153	20/Aug/09	6400	17398	36.79
154	16/Dec/09	6500	18032	36.05
155	3/Feb/09	12190	34379	35.46
156	12/Jun/09	4999	14488	34.50
157	22/Oct/09	48790	146467	33.31
158	9/Sep/09	18387	56897	32.32
159	12/Oct/09	34499	107112	32.21
160	21/Aug/09	6572	21513	30.55
161	29/Sep/09	33028	109460	30.17
162	9/Feb/09	21605	72409	29.84
163	11/Dec/08	4833	16204	29.83
164	3/Nov/09	41743	140199	29.77
165	30/Nov/09	10000	34765	28.76
166	22/May/09	3265	11512	28.36
167	18/Dec/09	9900	35135	28.18
168	2/Dec/09	8175	29748	27.48
169	4/Dec/08	5221	19047	27.41
170	21/Jan/09	6614	24222	27.31
171	24/Sep/09	28185	103330	27.28
172	19/May/09	1911	7113	26.87

173	14/Oct/09	29777	111690	26.66
174	4/Mar/09	13611	52115	26.12
175	4/Feb/09	12785	50806	25.16
176	14/Sep/09	20000	83700	23.89
177	27/Aug/09	14125	59933	23.57
178	29/Jan/09	7107	31652	22.45
179	20/May/09	1587	7082	22.41
180	23/Oct/09	31377	140954	22.26
181	20/Mar/09	5021	22596	22.22
182	13/Jan/09	5720	25984	22.01
183	2/Sep/09	14184	67269	21.09
184	16/Nov/09	48892	238941	20.46
185	1/Sep/09	11600	56897	20.39
186	17/Apr/09	3945	19742	19.98
187	30/Sep/09	13076	67706	19.31
188	27/Oct/09	31274	163224	19.16
189	24/Apr/09	10049	52802	19.03
190	5/Dec/08	4661	24774	18.81
191	11/Dec/09	6805	36503	18.64
192	7/Dec/09	6000	32275	18.59
193	3/Mar/09	4538	25308	17.93
194	21/May/09	3322	18696	17.77
195	14/Dec/09	11226	63577	17.66
196	17/Feb/09	9150	52000	17.60
197	16/Feb/09	8194	48146	17.02
198	27/Nov/09	3851	22796	16.89
199	6/Nov/09	25479	156882	16.24
200	18/Feb/09	5000	32055	15.60
201	17/Nov/09	31323	203645	15.38
202	9/Dec/09	4498	30825	14.59
203	20/Oct/09	18450	131274	14.05
204	24/Feb/09	4640	33502	13.85
205	26/Nov/09	1950	14095	13.83
206	3/Dec/09	4200	30970	13.56
207	24/Nov/09	4120	30626	13.45
208	25/Aug/09	7213	53753	13.42
209	15/Oct/09	14292	112733	12.68
210	15/Sep/09	19500	154857	12.59
211	23/Sep/09	9650	79122	12.20
212	18/Sep/09	18456	151880	12.15
213	22/Dec/09	6504	55790	11.66
214	24/Aug/09	8521	73292	11.63
215	8/Dec/09	5000	43029	11.62
216	21/Dec/09	6250	53892	11.60
217	15/Dec/09	5001	44088	11.34
218	16/Oct/09	13317	120393	11.06
219	16/Dec/08	2248	20978	10.72
220	18/Dec/08	1491	13958	10.68
221	9/Oct/09	11000	106462	10.33
222	31/Aug/09	6603	65437	10.09
223	8/Sep/09	10000	99244	10.08
224	25/Feb/09	3030	31211	9.71

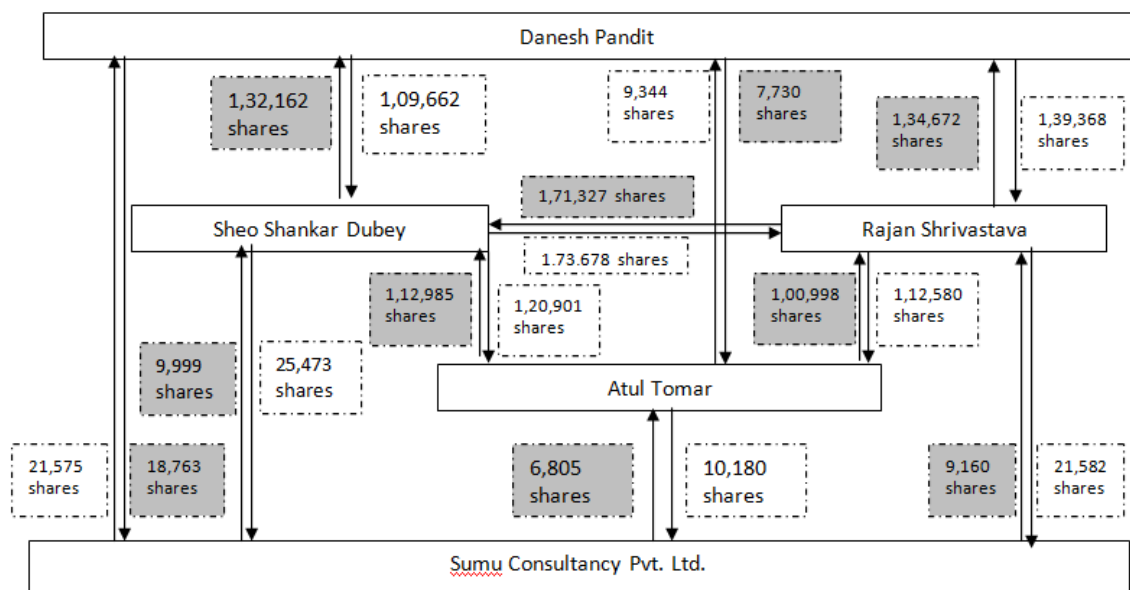
225	25/Nov/09	9385	99339	9.45
226	5/Nov/09	11000	122055	9.01
227	25/May/09	137	1625	8.43
228	4/Sep/09	8800	108898	8.08
229	7/Oct/09	8915	114073	7.82
230	30/Oct/09	12044	154169	7.81
231	27/Feb/09	2000	26494	7.55
232	28/Aug/09	1600	21585	7.41
233	2/Mar/09	3382	47717	7.09
234	2/Feb/09	976	13888	7.03
235	10/Nov/09	19683	291809	6.75
236	16/Sep/09	7365	132217	5.57
237	13/Nov/09	9999	182719	5.47
238	20/Feb/09	1889	37219	5.08
239	8/Oct/09	6947	156844	4.43
240	18/Nov/09	6539	180781	3.62
241	12/Nov/09	9950	307498	3.24
242	1/Dec/09	669	27145	2.46
243	4/Nov/09	2071	93717	2.21
244	29/Oct/09	2900	145607	1.99
245	17/Oct/09	378	26826	1.41
246	23/Dec/09	122	65172	0.19
247	26/Oct/09	199	167682	0.12
248	28/Oct/09	100	130578	0.08
249	4/Dec/09	10	35615	0.03
250	24/Dec/09	10	41993	0.02
251	19/Nov/09	1	112140	0.00
	<b>Grand Total</b>	<b>3746287</b>	<b>11576617</b>	<b>32.36</b>

20. From the above table, it was noticed that the circular trades entered into by these Group I entities had resulted in significant proportion of volume to the total market volume in the scrip. Out of 264 trading days, on 39 days, the percentage of circular trade volume of these entities to the total market volume was allegedly more than 90%. Further on 69 days, the percentage of circular trade volume of these entities to the total market volume was more than 80%. On 129 days, the percentage of circular trade volume of these entities to the total market volume was more than 50%. If the volume created by the said circular trades entered into by the Group-I entities is excluded, then it was observed that on most of the days there was very thin or negligible volume in the scrip.

**Reverse Trades:**

21. I also find from the SCN that some of the circular trades entered into by the Group I entities were in the nature of reversal trades. For e.g. on April 22, 2009, the entities belonging to the Group I entities viz. Atul Tomar and Rajan Shrivastava, had

allegedly executed reversal trades for 6590 shares through various trades on the same day. Several reversal trades were also executed across various days instead on the same day. Upon perusal of Annexure 12 to the SCN it was noted that 15 entities (inadvertently referred to as 17 group entities in the SCN) belonging to the Group I viz. Sheo Shankar Duber, Sumu Consultancy P. Ltd, Atul Tomar, Danesh Pandit, Rajan Shrivastava, Goodfaith Cement P. Ltd, Leena Batra, SMVD Financial Consultants, Vinay Jain, Narendra Kumar, Abhi Capital Services Ltd, Sudesh Jain, Manmohan Singh Dua. Ajit Singh Dua and Rohtas Kumar Jaiswal, had entered into reverse trades during the relevant period. A pictorial representation of reversal trades entered into by some of Group-I entities is given below for illustrative purpose-



Note - Shaded cells denotes number of shares reversed

### **Synchronized Trades:**

22. It was further noted that the circular trades mentioned in above paragraphs also included numerous synchronized trades which were indulged into by the Group I entities. During the investigation period, it was observed that in 264 trading days there were 57,850 trades which were carried out for a traded quantity of 1,24,48,074 shares. Out of these, there were 1,777 trades from 1,772 orders for 25,09,697 shares (20.16% of the total traded quantity) in 225 trading days which were synchronized trades i.e. the difference between buy order time and sell order time was less than 60 seconds. Further, it was noted that there was no difference

between buy order rate and sell order rate as well as there was no difference between the buy order quantity and the sell order quantity. It was alleged that 33 Group I entities had indulged in large number of synchronized trades for 10,93,585 shares in 909 trades from 909 orders in 149 trading days. The details of the impact on the volume and price of the scrip due to the said manipulative trades is as under:

Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Gross Total	Total traded qty among the suspected entities	Synchronized traded qty by suspected entities	Sync Trades as % of total traded qty among the suspected entities	Sync Trades as % of Total market volume	Sum of cumulative +ve LTP at Sync Trades
5933883	5133826	11067709	3746287	1093585	29.19%	8.79	88.30

23. The following table depicts the difference in time, total traded quantity in synchronized manner by Group I entities and the percentage of total synchronized trades by Group I entities-

Diff. in seconds	Total Traded Qty of Sync trades by Grp I	Total No. of sync trades by Grp I	%age of total sync trades by the Group I
0 second	182375	135	16.68
1 second	240068	272	21.95
2 seconds	114430	134	10.46
3 seconds	70557	53	6.45
4 seconds	44968	38	4.11
5 seconds	27227	26	2.49
	<b>679625</b>	<b>658</b>	<b>62.15</b>
6 to 10 seconds	146062	125	13.36
11 to 15 seconds	89908	44	8.22
16 to 20 seconds	97483	28	8.91
21 to 30 seconds	30771	22	2.81
31 to 45 seconds	20769	20	1.90

45 to 60 seconds	28967	12	2.65
<b>Grand Total</b>	<b>1093585</b>	<b>909</b>	<b>100.00</b>

24. From the above table, it was alleged that the connected Group I entities had created artificial volume and price rise by indulging in the said synchronized trades in the scrip of RIL. Further, 62.15% of the total synchronized trades by Group I entities had taken place within five seconds. Also, the entity - wise alleged synchronized buy and sell trades, orders and trade quantities entered into by the 33 Group I entities is as under:

Client Name	Buy			Sell			Total		
	Count of Buy Orders	Count of Buy Trades	Total Buy Qty	Count of Sell Orders	Count of Sell Trades	Total Sell Qty	Total Orders (Buy + Sell)	Total Trades (Buy + Sell)	Total Trade Qty (Buy + Sell)
ABHI CAPITAL SERVICES LIMITED	10	10	68786	4	4	19548	14	14	88334
AJAY KUMAR HUF	0	0	0	1	1	1000	1	1	1000
AJAY KUMAR KAPOOR	0	0	0	8	8	12889	8	8	12889
AJIT SINGH DUA	12	12	17316	10	10	36501	22	22	53817
ATUL TOMAR	120	120	56874	119	119	89712	238	239	146586
BAHAR PAPER PRIVATE LIMITED / KODA MALIA	24	24	109920	0	0	0	24	24	109920
BRIJESH SHARMA	0	0	0	3	3	1800	3	3	1800
D D KOTHARI	0	0	0	2	2	10000	2	2	10000
DANESH PANDIT	134	134	52337	134	134	76349	268	268	128686
DARSHAN J KOTHARI	0	0	0	12	12	50000	12	12	50000
DYNAMIC GLOBAL PROPFRANCHISES PRIVATE LIMITED	14	14	26358	16	16	78864	30	30	105222
GOODFAITH CEMENT PVT LTD	90	90	175444	4	4	9500	94	94	184944
JEWEL GARMENTS PRIVATE LIMITED	160	160	218286	0	0	0	160	160	218286
KAMALESH SHANTILALJI JAIN	0	0	0	5	5	21222	5	5	21222

KESHAVA NAND PANDEY	2	2	5832	0	0	0	2	2	5832
LEENA BATRA	0	0	0	52	52	27933	52	52	27933
<b>MAN MOHAN SINGH DUA</b>	<b>14</b>	<b>14</b>	<b>101966</b>	<b>12</b>	<b>12</b>	<b>23600</b>	<b>26</b>	<b>26</b>	<b>125566</b>
NARENDER KUMAR	15	15	26000	6	6	14500	21	21	40500
PRAVEEN KUMAR AGARWAL HUF	0	0	0	39	39	103350	39	39	103350
RAJAN GHOSH	0	0	0	7	7	2124	7	7	2124
RAJAN SHRIVASTAVA	134	134	63946	184	184	104597	318	318	168543
ROHTAS KUMAR JAISWAL	3	3	4500	49	49	62094	52	52	66594
SARITA GUPTA	0	0	0	11	11	54920	11	11	54920
<b>SHATANAND SHARMA SONS HUF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>500</b>	<b>1</b>	<b>1</b>	<b>500</b>
SHEO SHANKAR DUBEY	138	138	67074	159	159	116348	297	297	183422
<b>SMVD FINANCIAL CONSULTANTS</b>	<b>7</b>	<b>7</b>	<b>4246</b>	<b>2</b>	<b>2</b>	<b>450</b>	<b>9</b>	<b>9</b>	<b>4696</b>
SUDESH JAIN	1	1	9950	3	3	11530	4	4	21480
<b>SUMU CONSULTANCY PRIVATE LTD</b>	<b>14</b>	<b>14</b>	<b>5287</b>	<b>24</b>	<b>24</b>	<b>16223</b>	<b>38</b>	<b>38</b>	<b>21510</b>
<b>SUNVISION INFOTECH PVT.LTD</b>	<b>7</b>	<b>7</b>	<b>18621</b>	<b>4</b>	<b>4</b>	<b>59356</b>	<b>11</b>	<b>11</b>	<b>77977</b>
UMESH CHAND JAIN	0	0	0	1	1	1000	1	1	1000
VANDANA SINGH	0	0	0	24	24	41500	24	24	41500
<b>VIJAY KAPOOR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>11300</b>	<b>5</b>	<b>5</b>	<b>11300</b>
VINAY JAIN	10	10	60842	8	8	34875	18	18	95717
<b>Grand Total</b>	<b>909</b>	<b>909</b>	<b>1093585</b>	<b>909</b>	<b>909</b>	<b>1093585</b>	<b>1818</b>	<b>1818</b>	<b>2187170</b>

### Structured Trades:

25. It was further alleged that the circular trades mentioned in the above paragraphs also included numerous structured trades entered into by the Group-I entities. It was observed that the 33 Group-I entities had indulged in large number of structured trades for 11,95,610 shares in 9925 trades in 216 trading days. The details of the same are as under:

Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Gross Total	Total traded qty among the suspected entities	Structured traded qty by suspected entities	Struc. Trades as % of total traded qty among the suspected entities	Struc. Trades as % of Total market volume	Sum of cumulative +ve LTP at Struc. Trades
5933883	5133826	11067709	3746287	1195610	31.91%	9.60%	274.45

26. The following table depicts the difference in time, total traded quantity of structured trades, total number of structured trades by Group I entities and the %age contribution of the said trades by the entities of Group-I:

Diff. in seconds	Total Traded Qty of Structured trades by Grp I	Total No. of structured trades by Grp I	Secondwise %age of total struc. trd qty by the Group I w.r.t. total struc. trd qty by Grp.I	Secondwise %age of total trade number by Grp I
0 second	6809	26	0.57	0.26
1 second	7004	30	0.59	0.30
2 seconds	13706	39	1.15	0.39
3 seconds	10365	42	0.87	0.42
4 seconds	14541	94	1.22	0.95
5 seconds	26371	186	2.21	1.87
6 seconds	48244	294	4.04	2.96
7 seconds	61283	400	5.13	4.03
8 seconds	52314	379	4.38	3.82
9 seconds	58494	360	4.89	3.63
10 seconds	56481	373	4.72	3.76
Sub-total	<b>355612</b>	<b>2223</b>	<b>29.74</b>	<b>22.40</b>
11 to 15 seconds	210308	1449	17.59	14.60
16 to 20 seconds	164356	1180	13.75	11.89
Sub-total	<b>374664</b>	<b>2629</b>	<b>31.34</b>	<b>26.49</b>
21 to 25 seconds	96083	993	8.04	10.01
26 to 30 seconds	94144	814	7.87	8.20
31 to 35 seconds	68065	752	5.69	7.58
36 to 40 seconds	68198	672	5.70	6.77
41 to 50 seconds	82654	1051	6.91	10.59
51 to 59 seconds	56190	791	4.70	7.97
Sub-total	<b>465334</b>	<b>5073</b>	<b>38.92</b>	<b>51.11</b>
<b>Grand Total</b>	<b>1195610</b>	<b>9925</b>	<b>100.00</b>	<b>100.00</b>

27. From the above table, it was alleged that the connected Group I entities by indulging in structured trades had contributed significantly in the creation of artificial volume in the scrip of RIL. 61.08% of the structured trades were entered into with 20 seconds.

28. The entity wise alleged structured trade details of buy and sell trades, orders and trade quantity among Group I entities is as under:

Client Name	Client as a Buyer			Client as a Seller			Total (Buy + Sell)		
	Count of Buy Orders	Count of Buy Trades	Total Buy Qty	Count of Sell Orders	Count of Sell Trades	Total Sell Qty	Total Orders (Buy + Sell)	Total Trades (Buy + Sell)	Total Trade Qty (Buy + Sell)
ABHI CAPITAL SERVICES LIMITED	15	18	33368	7	8	2630	22	26	35998
AJAY KUMAR HUF	0	0	0	5	44	4376	5	44	4376
AJAY KUMAR KAPOOR	0	0	0	29	127	30556	29	127	30556
AJIT SINGH DUA	22	26	33887	1	1	250	23	27	34137
ATUL TOMAR	1611	1636	130277	245	1902	131467	1856	3538	261744
BRIJESH SHARMA	0	0	0	1	2	150	1	2	150
DANESH PANDIT	1638	1652	155672	260	1950	165522	1898	3602	321194
DYNAMIC GLOBAL PROPFANCHISES PVT LTD	9	21	8474	10	12	8247	19	33	16721
GOODFAITH CEMENT PVT LTD	2	4	5000	0	0	0	2	4	5000
JEWEL GARMENTS PRIVATE LIMITED	191	192	100343	0	0	0	191	192	100343
KAMALESH SHANTILALJI JAIN	0	0	0	27	86	90176	27	86	90176
KESHAVA NAND PANDEY	24	24	31950	1	1	1200	25	25	33150
LEENA BATRA	0	0	0	29	105	20815	29	105	20815
MAN MOHAN SINGH DUA	2	2	332	14	22	28459	16	24	28791
NARENDER KUMAR	166	166	149779	6	10	23645	172	176	173424
RAJAN GHOSH	0	0	0	8	26	3076	8	26	3076
RAJAN SHRIVASTAVA	2839	2875	236263	463	2489	248686	3302	5364	484949
SARITA GUPTA	0	0	0	2	2	4000	2	2	4000

<b>SHATANAND SHARMA SONS HUF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>200</b>	<b>2</b>	<b>3</b>	<b>200</b>
SHEO SHANKAR DUBEY	2745	2768	210283	483	2742	253261	3228	5510	463544
<b>SMVD FINANCIAL CONSULTANTS</b>	<b>2</b>	<b>2</b>	<b>525</b>	<b>3</b>	<b>17</b>	<b>4151</b>	<b>5</b>	<b>19</b>	<b>4676</b>
<b>SMVD SECURITIES PRIVATE LTD</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>11</b>	<b>6050</b>	<b>4</b>	<b>11</b>	<b>6050</b>
SUDESH JAIN	5	5	1946	1	1	650	6	6	2596
<b>SUMU CONSULTANCY PRIVATE LTD</b>	<b>507</b>	<b>509</b>	<b>55967</b>	<b>42</b>	<b>214</b>	<b>22158</b>	<b>549</b>	<b>723</b>	<b>78125</b>
<b>SUNVISION INFOTECH PVT.LTD</b>	<b>4</b>	<b>5</b>	<b>7831</b>	<b>2</b>	<b>2</b>	<b>11010</b>	<b>6</b>	<b>7</b>	<b>18841</b>
UMESH CHAND JAIN	0	0	0	13	35	44149	13	35	44149
UMESH JAIN AND SONS HUF CHAND	0	0	0	1	1	1000	1	1	1000
VANDANA SINGH	0	0	0	12	33	17820	12	33	17820
<b>VIJAY KAPOOR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>62</b>	<b>49941</b>	<b>24</b>	<b>62</b>	<b>49941</b>
VINAY JAIN	19	20	33713	16	17	21965	35	37	55678
<b>Grand Total</b>	<b>9801</b>	<b>9925</b>	<b>1195610</b>	<b>1711</b>	<b>9925</b>	<b>1195610</b>	<b>11512</b>	<b>19850</b>	<b>2391220</b>

**Circular trades through off-market and on-market:**

29. It was alleged that three Group I entities viz. Mastermind Traxim P. Ltd, Markup Trading P. Ltd and Gamut Exports P. Ltd, all three connected to RIL, had transferred 4,49,900 shares of RIL through off-market transfers to certain entities from the 35 group entities on several occasions.
30. Further, it was alleged that the shares received in off market by the Group I entities were sold back through on market either to the same entities who transferred shares in off market or to other Group-I entities. On examination of the alleged circular trades, it was observed that the said circular transactions were such that one leg of the transaction was in off market and other leg of transaction was in on market. Kamalesh Shantilal Jain, Vijay Kapoor, Ajay Kumar Kapoor HUF and 5 other entities from Group I had received shares in off market from the connected entities and sold these shares back to the same connected entities or other connected entities in on-market. The entities who made off market transfers, inter alia, include Abhi Capital Services Ltd., Narendra Kumar, Sheoshankar Dubey, Atul Tomar, Rajan Shrivastava, Danesh Pandit, Manmohan Dua etc.

31. Detailed analysis of the said off-market on-market transactions among the Group I entities is as under:

**(a)** Kamalesh Shantilal Jain (AAFPJ2745J) had received 1,92,307 in off market and sold 1,69,914 shares in on market during the investigation period. His transactions in off market and on market were as follows –:

Kamalesh Shantilal Jain received in off market			Kamalesh Shantilal Jain sold in on market		
Received from	Received on Date	Quantity	Sold on date	Quantity	Sold to
SHEO SHANKAR DUBEY	16-09-2009	75000	22-09-2009	22000	Narendra Kumar
	23-09-2009	25000	22-09-2009	17020	Sumu Consultancy Pvt. Ltd.
			25-09-2009	10000	Narendra Kumar
			25-09-2009	9476	Sunvision Infotech Pvt. Ltd.
			25-09-2009	9840	Vinay Jain
			01-10-2009	10000	Narendra Kumar
			05-10-2009	15000	Narendra Kumar
			06-10-2009	8600	Keshava Nand Pandey
			06-10-2009	1400	Narendra Kumar
			07-10-2009	8914	Abhi Capital Services Ltd.
NARENDER KUMAR	06-10-2009	30150			
	07-10-2009	30255	09-10-2009	10000	Keshava Nand Pandey
			12-10-2009	7500	Keshava Nand Pandey
			12-10-2009	2500	Narendra Kumar
			14-10-2009	2970	Keshava Nand Pandey
			14-10-2009	6530	Narendra Kumar
			15-10-2009	4995	Narendra Kumar
			16-10-2009	3332	Keshava Nand Pandey
			16-10-2009	2500	Narendra Kumar
			22-10-2009	4750	Keshava Nand Pandey
				8180	Narendra Kumar
			23-10-2009	7377	Narendra Kumar
SHEO SHANKAR DUBEY	15-10-2009	31902			
<b>Grand Total</b>		<b>1,92,307</b>	<b>Grand Total</b>	<b>1,69,914</b>	

➤ It was observed that Kamalesh Shantilal Jain (AAFPJ2745J) had received 1,92,307 shares in off market from Narender Kumar(60,405 shares) and Sheo Shankar Dubey(1,31,902 shares). Out of the same, Kamalesh Shantilal Jain had sold 1,69,914 shares to the Group-I entities in on-market (90,482 shares to Narendra Kumar and 79,432 shares to other Group-I entities). It was noted from the above that, on market transactions with Narender Kumar took place in 109 trades from 28 orders, out of which 71 trades from 21 orders aggregating to 64,540 shares were structured trades i.e. the difference between the buy and sell

time was less than 60 seconds as well as there was no difference between buy order rate and sell order rate.

- It was also observed that Shri Kamalesh Shantilal Jain had indulged in structured trades with Keshava Nand Pandey (PAN - AAFPJ2745J). Keshava Nand Pandey had traded through the trading member Gateway Financial Services Ltd. Shri Kamalesh Shantilal Jain had sold 37,152 shares to Keshava Nand Pandey in 20 trades from 10 orders over a period of six days. Out of the same, 12 trades aggregating to 23,582 shares were structured trades wherein the time difference between buy and sell order was less than 60 seconds. Further, there was no difference between buy order rate and sell order rate. Out of the above 12 trades, 02 trades took place on 6/10/2009 and 16/10/2009 aggregating to 5832 shares and the same were synchronized trades wherein in addition to above there was no difference in buy and sell order quantity. In total, there were 05 synchronized trades with other entities of Group I aggregating to 21,222 shares.

**(b)** Vijay Kapoor (AJZPK2378P) had net sold 98,000 shares on market during the investigation period. His transactions, off market and on market, with connected entities were as follows -

Vijay Kapoor received in off market			Vijay Kapoor sold in on market		
Received from	Received on Date	Quantity	Sold on date	Quantity	Sold to
Sheo Shankar Dubey	25-09-2009	25000	25-09-2009	158	Abhi Capital Services Ltd.
			29-09-2009	200	Abhi Capital Services Ltd.
			29-09-2009	9670	Narendra Kumar
			29-09-2009	101	Vinay Jain
			30-09-2009	6999	Narendra Kumar
			01-10-2009	7342	Narendra Kumar
			01-10-2009	300	Sudesh Jain
Narendra Kumar	05-10-2009	25000	06-10-2009	16857	Narendra Kumar
			06-10-2009	2600	Keshava Nand Pandey
	10-10-2009	20000	08-10-2009	2200	Keshava Nand Pandey
			08-10-2009	2800	Narendra Kumar
	03-11-2009	10000	12-10-2009	10000	Narendra Kumar
	04-11-2009	8000	14-10-2009	7000	Keshava Nand Pandey
			14-10-2009	2750	Narendra Kumar
	06-11-2009	10000	03-11-2009	7800	Narendra Kumar
			03-11-2009	200	Man Mohan Singh Dua
			03-11-2009	1243	Sudhesh Jain
			04-11-2009	2052	Narendra Kumar
			05-11-2009	3000	Narendra Kumar
			06-11-2009	9518	Narendra Kumar
			Sub Total	92790	
				5210	Other entities
Grand Total		98,000	Grand Total	98,000	

- From the above, it was observed that 98,000 shares were received by Shri Vijay Kapoor in off-market transactions from Shri Narender Kumar and Shri Sheo Shankar Dubey. He sold entire 98,000 shares in the market in 118 trades from 37 orders to connected entities (92,790 shares) and to other entities. Out of the same, he sold 78,788 shares on market to Shri Narender Kumar on the dates mentioned in above table. It was further observed that the above transactions with Shri Narendra Kumar took place in 77 trades from 31 orders, out of which 54 trades from 26 orders were allegedly structured trades i.e. the difference between the buy and sell time was less than 60 seconds and also the buy and sell order rate was same. From the same, 5 trades from 5 orders aggregating to 11,300 shares were allegedly synchronized trades.

**(d)** The transactions (off market and on market) for Ajay Kumar Kapoor HUF (AAIHA3249R) were as follows-

Ajay Kumar Kapoor HUF received in off market			Ajay Kumar Kapoor HUF Sold in on market		
Received from	Received on Date	Quantity	Sold on date	Quantity	Sold to
Danesh Pandit	20-01-2009	6000	19-01-2009	2900	Rajan Shrivastava
	05-02-2009	5500		3000	Sheo Shankar Dubey
	07-02-2009	5000	05-02-2009	3360	Jewel Garments Pvt. Ltd.
				5	Sheo Shankar Dubey
				1995	Sumu Consultancy Private Ltd
			06-02-2009	2000	Jewel Garments Pvt. Ltd.
				936	Rajan Shrivastava
		<b>Total</b>	<b>Total</b>	<b>14,196</b>	

- Ajay Kumar Kapoor HUF (AAIHA3249R) had received 16,500 shares in off-market transactions from Shri Danesh Pandit. Further, the said entity had sold 14,196 shares in on market to Jewel Garments Private Limited, Rajan Shrivastava, Sheo Shankar Dubey and Sumu Consultancy Pvt. Ltd. The transactions took place in 102 trades from 17 orders aggregating to 16,500 shares, out of which 48 trades from 07 orders aggregating to 6426 shares were structured. It was alleged that out of the said transactions, there was one synchronized trade for 1000 shares wherein the counter party client was Group I entity i.e. Jewel Garments Pvt. Ltd.

**NHP Analysis:**

32. Analysis of New High Price (NHP) for the entities belonging to Group-I is given below –

Name of the client	PAN	Qty	No. of Trades	NHP Contribution
Atul Tomar	ABCPT0476A	340918	4824	11
Vinay Jain	AGAPJ3002D	755445	1335	7
Rajan Shrivastava	ARQPS6069Q	629628	8195	4.05
Danesh Pandit	AMHPP1418N	399226	5201	3.85
Sumu Consultancy Private Ltd.	AAKCS4359M	157764	1196	2.8
Narender Kumar	AXCPK5271G	358163	435	1.8
Sheoshankar Dubey	AADPD7086Q	626765	7368	0.1
	<b>Total</b>	<b>3267909</b>	<b>28554</b>	<b>30.6</b>

33. I note that upon analysis of the buying pattern of the group to determine as to whether they had established new high price in the scrip during the investigation period it was revealed that while creating artificial volume, the clients of Group-I had also allegedly played an important role in contributing to the price rise. The abovementioned seven clients of Group-I which includes Atul Tomar and Sumu Consultancy Pvt. Ltd had not only indulged in circular, synchronized and reversal trades but had also together contributed 30% (i.e. ₹ 30.6) of New High Price (NHP) of the total NHP of ₹100.7 during the investigation period.

LTP Analysis:

34. An analysis of Last Traded Price (LTP) variation was done during the investigation period. The LTP variation details of 13 Group-I entities who had net positive LTP variation is as under-

Sr. No.	PAN	Client Name	All trades			LTP Diff >0			LTP Diff <0			LTP Diff = 0	
			Net LTP	Sum of Quantity	No. of trades	LTP impact	Qty traded	No. of trades	LTP impact	Qty traded	No. of trades	Qty traded	No. of trades
1	AADPD7086Q	SHEO SHANKAR DUBEY	189.9	596938	6725	351.25	110035	561	161.35	87361	452	399542	5712
2	AMHPP1418N	DANESH PANDIT	172.2	381042	4629	247.2	75603	515	-75	49204	209	256235	3905
3	ARQPS6069Q	RAJAN SHRIVASTAVA	171.3	611474	7442	338	114208	594	-166.7	97779	467	399487	6381
4	AGAPJ3002D	VINAY JAIN	158.35	718604	1207	264.4	244851	431	106.05	83097	222	390656	554
5	ABCPT0476A	ATUL TOMAR	143.15	327285	4428	219.6	60459	495	-76.45	44884	221	221942	3712
6	AAACA5419N	ABHI CAPITAL SERVICES LIMITED	77.5	345866	553	130.55	89200	152	-53.05	96725	99	159941	302
7	AABCJ9694B	JEWEL GARMENTS PRIVATE LIMITED	52.35	363508	532	52.35	118466	129	0	0	0	245042	403
8	AGAPJ3001A	SUDESH JAIN	45.4	251144	277	59.3	90311	112	-13.9	29332	35	131501	130
9	AACCG1930A	GOODFAITH CEMENT PVT LTD	30.45	355511	191	35.15	190374	94	-4.7	5415	17	159722	80
10	AAKCS4359M	SUMU CONSULTANCY PRIVATE LTD	15.05	150557	1143	43.65	36939	118	-28.6	13881	102	99737	923
11	AACCB4484G	BAHAR PAPER PRIVATE LIMITED / KODA MALIA	9.95	181080	46	9.95	124922	30	0	0	0	56158	16
12	ANLPP6434B	KESHAVA NAND PANDEY	7.25	79872	86	14.05	26956	17	-6.8	2994	14	49922	55
13	ABGPS0969K	SMVD FINANCIAL CONSULTANTS	3.35	5736	12	3.45	3446	7	-0.1	700	2	1590	3
		<b>Total</b>	<b>1076.2</b>	<b>436861</b> 7	<b>2727</b> 1	<b>1768.</b> 9	<b>128577</b> 0	<b>3255</b>	<b>-692.7</b>	<b>511372</b>	<b>1840</b>	<b>257147</b> 5	<b>2217</b> 6
		<b>Total for Remaining entities of Grp I</b>	<b>-131.95</b>	<b>119743</b> 9	<b>1203</b>	<b>95.85</b>	<b>214247</b>	<b>208</b>	<b>-227.8</b>	<b>638336</b>	<b>555</b>	<b>344856</b>	<b>440</b>
		<b>Grand Total</b>	<b>944.25</b>	<b>556605</b> 6	<b>2847</b> 4	<b>1864.</b> 8	<b>150001</b> 7	<b>3463</b>	<b>-920.5</b>	<b>1149708</b>	<b>2395</b>	<b>291633</b> 1	<b>2261</b> 6

35. It was alleged that the Group-I entities on gross basis had contributed to a price increase of ₹1864.8 during the relevant period, which is 42.02% of the total market wide positive LTP variation of ₹ 4437.95. Similarly, on analyzing the trades where Group-I entities had on gross basis, sold at a lower price than the LTP variation, it was noted that Group-I entities had contributed to a negative LTP variation of ₹ 920.5, which is 21% of total market wide negative LTP variation of ₹ 4384.35. The net impact of the trading of Group-I entities showed that they were found to be exerting upward pressure on the price as a buyer, with their net LTP variation of ₹ 944.25 as against the market wide net LTP variation of ₹ 53.60. Thus overall, it was alleged that during the investigation period the Group-I entities had contributed to the price rise in the shares of RIL in a very significant manner.

**First Trade Analysis:**

36. Upon analysis of first trades carried out to find whether any entity influenced the first trade of the day to inflate the price it was noted that on 177 instances, Group-I entities had set positive LTP variation (with respect to previous days' close). The details of the seven entities belonging to Group-I who had contributed to positive cumulative LTP variation on the first trades during the investigation period to influence the opening price is as under-

Client Name	No. of first trades by Grp. I	Positive cumulative LTP variation in First Trades by Grp. I entity (Rs.)	% of Positive cumulative LTP variation of First Trades of Grp I (entitywise) w.r.t. Market wide Postive LTP on First Trades i.e. Rs.387.65
SHEO SHANKAR DUBEY	45	110.35	28.47
RAJAN SHRIVASTAVA	50	71.95	18.56
DANESH PANDIT	39	46.1	11.89
VINAY JAIN	11	25.15	6.49
<b>ATUL TOMAR</b>	<b>20</b>	<b>12.9</b>	<b>3.33</b>
<b>SUMU CONSULTANCY PRIVATE LTD</b>	<b>8</b>	<b>6.15</b>	<b>1.59</b>
ABHI CAPITAL SERVICES LIMITED	4	5.8	1.50
<b>Total</b>	<b>177</b>	<b>278.40</b>	<b>71.82</b>

37. It was alleged that during the investigation period out of 264 trading days, Group-I entities had executed 177 first trades (67.04% of total trading days) and created positive LTP variation on 140 first trades (53.03% of total trading days). These trades indicate that Group-I entities had allegedly attempted to create an upward trend in the price on those days through First Trade.

**Self Trades:**

38. It was further alleged in the SCN that nine Group-I entities which included 2 Noticees viz., Atul Tomar and SUMU CONSULTANCY PRIVATE LTD , in addition to entering into synchronized and circular trades, had also indulged in self trades. Whereas, the buy client and sell client for the trades were the same, the trading

members executing these trades on behalf of these clients were not be same in all the trades. The summary of the alleged self trades done by the aforesaid Noticees forming part of Group-I entities is as under -

Client Name	Total Self trade volume	Total Self trade count	No. of days on which self trades executed	Positive LTP contribution by self trades	Net LTP Contribution by self trades
SUMU CONSULTANCY PRIVATE LTD	832	21	7	0.55	-3.7
ATUL TOMAR	205	5	5	0.55	-0.1
<b>Total</b>	<b>1037</b>	<b>26</b>	<b>12</b>	<b>1.1</b>	<b>-3.8</b>

39. From the above table, it was alleged that the aforesaid 2 Noticees of Group-I entities had indulged in self trades resulting in creation of artificial volumes in the scrip.
40. Further, I note that as mentioned earlier, it was alleged that three RIL connected entities (also belonging to the Group I entities) which included Mastermind Traxim Pvt. Ltd., Markup Trading Pvt. Ltd. and Gamut Exports Pvt. Ltd. had transferred the Group I entities 4,49,900 shares of RIL through off market transfers which had in turn facilitated the said entities to indulge in several manipulative transactions. The said transactions between the Group I entities and the three RIL connected entities were examined in detail and the same is dealt in paragraphs below.
41. Gamut Exports Pvt. Ltd : As per the details submitted by RIL vide its letter dated May 3, 2012, the promoters of RIL, Shri Sushil Gupta and Shri Manish Gupta were the directors of Gamut Exports Pvt. Ltd. It was noted that Gamut Exports Pvt. Ltd. had transferred 95,000 shares in off-market on 16/9/2009 and 73,820 shares on 06/10/2009 i.e. total 1,68,820 shares to Narender Kumar. These shares were allegedly utilized for circular/reversal trades, synchronized trades resulting in creation of artificial volume and price manipulation by Narender Kumar through other Group-I entities to whom these shares were transferred by Narender Kumar. The share movement detail from Gamut Exports to Group-I entities (upto two levels) is given below:

Date	Off mkt transfer made by	Off mkt transfer made to / Quantity	Transferee's Holding for the date	Shares were further transferred to in off market to	Shares were sold in on-market to
16/09/2009	Gamut Exports Pvt. Ltd.	Narender Kumar / 95000	15930 - 16/09/09	20000 on 12/11/2009 to Ajay Kapoor	13900 shares to Narender Kumar / 1100 shares to Naveen Garg in on market
6/10/2009	Gamut Exports Pvt. Ltd.	Narender Kumar / 73820	34670 - 6/10/09	11500 on 16/11/2009 to Ajay Kapoor	16499 to Narender Kumar on 16/11/09 and 1 share to Vinay Jain in on market
				32335 shares to Danesh Pandit on 31/8/09	32335 shares to Leena Batra on 31/8/09 in off market who sold in on market
				30150 shares to Kamalesh jain on 6/10/09	sold 18920 shares to connected entities Narender Kumar, Abhi Capital and Keshava Nand Pandey. 6916 shares to other entities in on market on 6 & 7/10/2009
				30255 shares to Kamalesh jain on 7/10/09	sold 20000 shares to Keshava Nand Pandey and Narender Kumar and 10000 shares to other entities in on market
				95000 to Sheo Shankar Dubey on 16/9/09	Transferred in off market to Kamalesh S Jain - 75000 on 16/9/09, 25000 on 23/9/09, 40928 to Narendra Kumar on 12/11/09, 48,000 shares to Umesh Chand Jain on 4/9, 14/9, 25/9, 28/10
x				9000 to Umesh Chand Jain on 6/10/2009	4000 shares to Keshava nand pandey and 5000 shares to Narender Kumar on 20/10/09
				7500 to Umesh Chand Jain on 13/11/2009	7399 shares (4999 shares on 13/11/09 and 2400 shares on 16/11/09 to Narender Kumar), 101 shares to non-related entities on 16/11/09
				7500 to Umesh Chand Jain on 7/12/2009	3500 shares to Narender Kumar and 3500 shares to Keshava nand on 14/12/09
				25000 to Vijay Kapoor on 5/10/2009	24,457 shares (4800 shares to Keshava Nand Pandey on 6/10/09 and 8/10/09. 19657 shares to Narender Kumar on 6/10/09 and 8/10/09) and 543 shares to non related entities on 6/10 and 8/10/09
				20000 to Vijay Kapoor on 10/10/2009	19750 shares (12750 shares to Narender Kumar on 12 & 14/10/09 and 7000 Keshava Nand Pandey on 14/10/09) and 250 shares to non related entity.
				10000 to Vijay Kapoor on 3/11/2009	9243 shares on 3/11/09 to Narender Kumar(7800), Man mohan dua (200) and sudesh jain(1243) and 757 shares to non related entites
				8000 to vijay Kapoor on 4/11/2009	5052 shares to narender Kumar 4-5/11/09
				10000 to Vijay Kapoor on 6/11/2009	

42. I find that during the investigation period, to analyse the said off market transfer, vide summons dated 16/04/2013, the details of consideration paid, if any, by Narendra Kumar to Gamut Exports Pvt. Ltd. and their relationship were sought from Gamut Exports Ltd and Narendra Kumar. The summons sent to Gamut Exports Ltd. at 'House No.-1858, Adarsh Nagar, Ballabgharh, Faridabad, Hariyana-121004' and Narendra Kumar at 'House No-5,/217, IInd floor, Lalita Park, Laxmi Nagar, New Delhi-110092' were returned undelivered. Further, the summons issued to Narendra Kumar's other known address on 31/07/2013 at 'House No-5,/277, IInd floor, Lalita Park, Laxmi Nagar, New Delhi-110092' were also returned undelivered.

43. Mastermind Traxim Pvt. Ltd. - As per details submitted by RIL vide its letter dated May 3, 2012, the promoters/Directors of RIL, Shri Sandeep Gupta and Shri Subhash Gupta were directors of Mastermind Traxim Pvt. Ltd. It was noted that Mastermind Traxim Pvt. Ltd. had transferred in off-market 1,18,080 shares on 27/8/2009 to Danesh Pandit. These shares were allegedly utilized for circular/reversal trades, synchronized trades resulting in creation of artificial volume and price manipulation by Danesh Pandit through other Group-I entities to whom these shares were transferred by Danesh Pandit. The share movement detail from Mastermind Traxim Pvt. Ltd to Group-I entities (upto two levels) is given below:

Date	Off mkt transfer made by	Off mkt transfer made to / Quantity	Transferee's Holding for the date	Shares were further transferred to in off market to	Shares were sold in on-market to
27/8/2009	Mastermind Traxim Pvt. Ltd.	Danesh Pandit / 118080	11/12/2009 - 2 shares	1,00,000 shares to Sheo Shankar Dubey on 4/9/09	Transferred in off market to Kamallesh S Jain - 75000 on 16/9/09, 25000 on 23/9/09, 40928 to Narendra Kumar on 12/11/09, 48,000 shares to Umesh Chand Jain on 4/9, 14/9, 25/9, 28/10
			31/12/2009 - 2 shares	16525 shares to Narendra kumar on 11/12/2009	25000 to Vijay Kapoor on 25/9/09
				32335 shares to Leena Batra on 31/8/09	Sold in on market to various entities including 1857 shares to Dynamic Global, 590 shares to Man Mohan Dua, 6013 shares to Vinay Jain

44. I find that during the investigation period, to analyse the said off market transfer, vide Summons dated 16/04/2013, the details of consideration paid, if any, by Danesh Pandit to Mastermind Traxim Pvt. Ltd. and their relationship were sought from them i.e. from Mastermind Traxim P. Ltd and Damesh Pandit. However, it was alleged that though the summon dated 16/04/2013 addressed to Mastermind Traxim Pvt. Ltd's other known address was delivered, it failed to submit its reply to the summon.
45. Markup Trading Pvt. Ltd. - From the data obtained from MCA website, it was noted that Deepak Agarwal was director of Markup Trading Pvt. Ltd. He was also director of Gamut Exports Pvt. Ltd. and Subhlabh Garments Pvt. Ltd. Markup Trading had transferred 1,18,000 shares in off market to Dynamic Global Propfranchises Private Ltd on 26-Aug-2009. These shares were allegedly utilized for circular/reversal trades, synchronized trades resulting in creation of artificial volume and price manipulation by Atul Tomar through other Group-I entities. The share movement detail from Markup Trading Pvt. Ltd., to Group-I entities is given below:

Date	Off mkt transfer made by	Off mkt transfer made to / Quantity	Transferee's Holding for the date	Shares were further transferred to in off market to	Shares were sold in on-market to
26/8/09	Markup Trading Pvt Ltd.	Dynamic Global Prop. Franchises / 118000	118000 - 26/08/09	6100 on 18/9/09 to Narendra Kumar and 118000 to Dynamic Global	
08/09/2009	Dynamic Global	Markup Trading Pvt.Ltd. / 118000	700 - 08/09/09	6100 on 18/9/09 to Narendra Kumar and 118000 to Dynamic Global	
6/7/2009	Markup Trading Pvt Ltd.	Atul Tomar / 20000			9837 shares to Rajan, 15628 shares to Sheo, 4686 to sumu in on market between 6/7/09 to 10/7/09, 13-15/7/09, 4/9/09
10/7/2009	Markup Trading Pvt Ltd.	Atul Tomar / 25000			

46. I find that during the investigation period, to analyse the said off market transfer, vide Summons dated 16/04/2013, the details of consideration paid, by Dynamic Global Propfranchises Ltd. and Atul Tomar to Markup Trading Pvt. Ltd. and their relationship were sought from them. Dynamic Global Propfranchises Ltd. informed that they had bought these shares in off-market from CSB Capital Ltd. and since, delivery was received from Markup Trading Pvt. Ltd. instead of CSB Capital Ltd., it had returned the shares to Markup Trading Pvt. Ltd. and the deal was cancelled. Dynamic Global Propfranchises Ltd., further informed that it had made payment by two cheques i.e. ₹ 1 crore and ₹ 20 lakh to CSB Capital Ltd, and since, the deal was cancelled, *"after some time we received back our first cheque for an amount of ₹ 1 crore, however, CSB Capital Ltd. retained our cheque for an amount of ₹ 20 lakh and presented the same for encashment. That as we had issued 'stop payment instructions' therefore, cheque for ₹ 20 lakh got bounced and for which CSB Capital Ltd., instituted a criminal case against us in the Faridabad Court."*
47. For the summon dated 31/07/2013 addressed to Atul Tomar at his other known address, Atul Tomar had, vide his letter dated 30/08/2013, sought 45 days time to submit his reply. However, no reply was received by the Investigation Team and therefore, it was alleged that Atul Tomar failed to submit his reply.
48. Jewel Garments Private Limited, an RIL promoter group entity and part of Group-I entities had while trading through Narayan Securities Limited bought 4,59,118 shares in 629 trades. Out of the said shares, 2,26,736 shares purchased in 168 trades were alleged to be synchronized trades. Further, 197 trades aggregating to

1,01,198 shares were alleged to be structured trades wherein the time difference between buy and sell order was less than 60 seconds and there was no difference in buy order and sell order rate. Out of the above synchronized transactions, it had bought 65,541 shares in 42 trades from Sheo Shankar Dubey, 61,296 shares in 44 trades from Atul Tomar, 51,494 shares in 37 trades from Rajan Shrivastava, 29,466 shares in 26 trades from Danesh Pandit, 3000 shares in three trades from Sumu Consultancy Private Ltd. and other Group-I entities. Jewel Garments was also found to have contributed ₹ 52.35 towards LTP variation thus, allegedly contributed to the price rise.

### **Group II Entities**

49. For the reasons already stated at para 13 above, I proceed to consider the trades of all the entities forming part of Group II as deemed relevant in dealing the allegations against the Noticees, Rama Rani, Govardhan Lal, Nitin Chadha, Almondz Entertainment Private Limited, Ishan Chadha, Rajeev / Rajiv Gupta and Monika Gupta in the instant case.
  
50. In addition to the above, during the period from September 02, 2009 to December 31, 2009, Group II entities namely, Eminence Capital Services / Naresh Gupta, Govindji Gupta, Gaurav Gupta, Global Wealth Creators, Punit Kapoor, Robart, Sarika Gupta, Doctor Saurabh Gupta, Anjani, Sandeep Kumar Gupta, Sudheshwar Kumar Gupta, R Shalu Kapoor and Firstcall Consultancy Services Private Ltd., along with the Noticees viz, Rama Rani, Govardhan Lal, Nitin Chadha, Almondz Entertainment Private Limited, Ishan Chadha, Rajeev / Rajiv Gupta and Monika Gupta all connected to one another by one way or the other, had traded heavily in the scrip of RIL. It was noted that during the said period, the scrip was traded for 81 days during which 80,22,153 shares were traded in 26,107 trades from 14,270 orders on buy side / 14,993 orders on sell side. It was alleged that these 20 Group II entities had entered into many manipulative trades and had created artificial volume in the scrip of RIL. The connection between the said Group II entities is as under:

**CONNECTION BETWEEN GROUP II ENTITIES:**

Sl. No.	Common Contact No.	Name of Connected Entities
1	9311005165	Almondz Entertainment Private Limited, Nitin Chadha, Govardhan Lal, Rama Rani.
2	9810493467	Almondz Entertainment Private Limited, Nitin Chadha, Govardhan Lal, Ishan Chadha, Robart.
3	9873760406	Almondz Entertainment Private Limited / Sunglow Entertainment Private Limited, Govardhan Lal,, Rama Rani, Sandeep Kumar Gupta, Anjani Kumar,
4	9818001008	Almondz Entertainment Private Limited, Govardhan Lal, Rama Rani, Firstcall Consultancy Services Private Ltd., Rajiv Gupta, Naresh Gupta/ Eminence Capital Services, Monica Gupta.
5	9350673924	Govardhan Lal, Govindji Gupta, Gaurav Gupta, Robart.
6	9911882236	Nitin Chadha, Anjani, Govindji Gupta, Sudheshwar Kumar Gupta, Global Wealth Creators.
7	9350744152	Nitin Chadha, Sudheshwar Kumar Gupta, Sarika Gupta, Doctor Saurabh Gupta, Punit Kapoor.
8	9990024438	Punit Kapoor, Shalu Kapoor.
9	9935157377	Sandeep Kumar Gupta, Sarika Gupta

51. The gross buy, gross sell and net traded volume of the Group-II entities during the period from September 02, 2009 to December 31, 2009 is given in following table-

Client Name	Gross Buy	Gross Buy % to total Buy Vol. of Group	Gross Sell	Gross Sell % to total Sell Vol. of Group	Net trade	Net Trade % to total trade vol of group
ROBART	290231	11.01	289305	11.05	926	-0.04
GOVARDHAN LAL	279661	10.61	277821	10.61	1840	0.00
ALMONDZ ENTERTAINMENT PRIVATE LIMITED	264786	10.05	264786	10.12	0	-0.07
GLOBAL WEALTH CREATORS	255475	9.70	255475	9.76	0	-0.06
EMINENCE CAPITAL SERVICES / NARESH GUPTA	227391	8.63	222743	8.51	4648	0.12
RAJEEV GUPTA	169213	6.42	169172	6.46	41	-0.04
GOVINDJI GUPTA	164554	6.25	164260	6.27	294	-0.03

SUDHESHWAR KUMAR GUPTA	121823	4.62	121823	4.65	0	-0.03
FIRSTCALL CONSULTANCY SERVICES PRIVATE LTD.	116988	4.44	112768	4.31	4220	0.13
SARIKA GUPTA	111350	4.23	110800	4.23	550	-0.01
DOCTOR SAURABH GUPTA	110380	4.19	107380	4.10	3000	0.09
RAMA RANI	102868	3.90	102717	3.92	151	-0.02
ANJANI	96902	3.68	96902	3.70	0	-0.02
NITIN CHADHA	88581	3.36	87034	3.32	1547	0.04
GAURAV GUPTA	78786	2.99	78786	3.01	0	-0.02
PUNIT KAPOOR	54194	2.06	54194	2.07	0	-0.01
SANDEEP KUMAR GUPTA	47951	1.82	47951	1.83	0	-0.01
ISHAN CHADHA	37270	1.41	37270	1.42	0	-0.01
MONIKA GUPTA	12530	0.48	12530	0.48	0	0.00
SHALU KAPOOR	4000	0.15	4000	0.15	0	0.00
<b>Grand Total</b>	<b>2634934</b>	<b>100.00</b>	<b>2617717</b>	<b>100.00</b>	<b>17217</b>	<b>0.00</b>
<b>Market volume : Period-2</b>	<b>8022153</b>	<b>32.85</b>	<b>8022153</b>	<b>32.63</b>		

52. It was noticed that during the relevant period the Group-II entities had traded on 54 days and bought 26,34,934 shares (32.85% of the total traded volume) in 9,820 trades from 4,285 orders and sold 26,17,717 shares (32.63% of the total traded volume) in 9084 trades from 5442 orders on gross basis.

53. Further, I find that the Group II entities had allegedly indulged in various fraudulent and manipulative trades in the scrip of RIL which had created artificial volumes and impacted the price in the said scrip. The said alleged manipulative trades are dealt in detail below.

#### **Circular / Reversal of Trades:**

54. The trade log analysis revealed that the Group II entities had indulged in numerous circular trades among the group entities during the relevant period. It was alleged that the Group-II entities had indulged in 6,877 circular trades by buying and selling

of 20,13,073 shares amongst themselves through 3004 buy orders and 4367 sell orders in 54 trading days. These circular trades implied that there was no transfer of beneficial ownership of shares but the shares were circulated among the group entities resulting in creation of artificial volume and price rise.

55. The said circular trades entered into by the Group-II entities had constituted significantly to the total traded volume in the scrip and on some days it was as high as more than 60%. The said analysis revealed that the scrip of RIL was thinly traded or illiquid and these entities had indulging in the said alleged circular/reversal trades only for creation of artificial volumes in the scrip. The top 10 days when the contribution of these entities was maximum with respect to the market volume is as under -

Sl. No.	Date	Total Volume (circular trades by group entities)	Total market Volume	%age to total market volume
1	8-Sep-09	62705	99244	63.18
2	30-Oct-09	96500	154169	62.59
3	23-Sep-09	48960	79122	61.88
4	9-Oct-09	58454	106462	54.91
5	10-Sep-09	25000	45579	54.85
6	21-Oct-09	38787	71923	53.93
7	16-Oct-09	64616	120393	53.67
8	13-Nov-09	81416	182719	44.56
9	9-Nov-09	114450	278032	41.16
10	24-Sep-09	39547	103330	38.27

56. Upon analysis of the day wise circular trade data of Group-II entities, it was observed that out of 54 trading days, there were 07 days when the contribution of alleged circular trades by these entities to the total market volume was more than 50%. Further, on 24 days the contribution of circular trades by these entities to the

total market volume was more than 30%. If the volume generated by the circular trades indulged into by the Group II entities was excluded, then on several days it was noted that the scrip would have been traded very thinly. Entity wise gross volume to the circular trades analysis revealed that on an average more than 75% of the gross volume traded by the Group-II entities were circulated within the group entities.

57. The day-wise circular trades percentage contributed by the Group II entities in descending order is as under:

Sl. No.	Date	Total Volume (circular trades by Group II entities)	Total market Volume	%age to total market volume
1	8-Sep-09	62705	99244	63.18
2	30-Oct-09	96500	154169	62.59
3	23-Sep-09	48960	79122	61.88
4	9-Oct-09	58454	106462	54.91
5	10-Sep-09	25000	45579	54.85
6	21-Oct-09	38787	71923	53.93
7	16-Oct-09	64616	120393	53.67
8	13-Nov-09	81416	182719	44.56
9	9-Nov-09	114450	278032	41.16
10	24-Sep-09	39547	103330	38.27
11	18-Sep-09	57186	151880	37.65
12	18-Nov-09	65783	180781	36.39
13	9-Sep-09	20216	56897	35.53
14	22-Sep-09	58646	165676	35.40
15	5-Nov-09	43203	122055	35.40
16	6-Nov-09	55456	156882	35.35
17	11-Nov-09	94603	282623	33.47
18	7-Sep-09	54607	164005	33.30
19	16-Sep-09	42279	132217	31.98
20	4-Sep-09	34351	108898	31.54
21	28-Oct-09	41135	130578	31.50
22	9-Dec-09	9639	30825	31.27
23	29-Oct-09	44976	145607	30.89
24	12-Oct-09	32803	107112	30.62
25	2-Sep-09	19928	67269	29.62
26	22-Oct-09	43119	146467	29.44
27	10-Nov-09	85089	291809	29.16
28	12-Nov-09	89490	307498	29.10
29	26-Nov-09	4040	14095	28.66
30	8-Oct-09	43350	156844	27.64
31	16-Nov-09	65842	238941	27.56
32	17-Sep-09	35965	130689	27.52

33	19-Nov-09	29672	112140	26.46
34	11-Sep-09	38384	152126	25.23
35	26-Oct-09	42182	167682	25.16
36	27-Oct-09	39630	163224	24.28
37	15-Dec-09	10500	44088	23.82
38	23-Oct-09	30682	140954	21.77
39	14-Sep-09	17872	83700	21.35
40	7-Oct-09	22957	114073	20.12
41	3-Dec-09	6000	30970	19.37
42	24-Dec-09	7815	41993	18.61
43	15-Oct-09	20063	112733	17.80
44	23-Dec-09	10575	65172	16.23
45	20-Oct-09	20185	131274	15.38
46	8-Dec-09	6500	43029	15.11
47	2-Dec-09	4318	29748	14.52
48	14-Oct-09	14658	111690	13.12
49	16-Dec-09	1875	18032	10.40
50	14-Dec-09	3000	63577	4.72
51	15-Sep-09	6893	154857	4.45
52	4-Nov-09	3381	93717	3.61
53	29-Sep-09	1790	109460	1.64
54	25-Sep-09	2000	170985	1.17
	<b>Grand Total</b>	<b>2013073</b>	<b>6685845</b>	

58. It was further alleged that some of the circular trades were in the nature of reversal trades. For e.g. on 30/10/2009, Global Wealth Creators and Govardhan Lal had executed reversal trades for 13,593 shares through various trades on the same day. Several reversal trades were also executed across various days instead on the same day. Further, 18 Group II entities viz. First Call Consultancy Services P.Ltd, Rama Rani, Robart, Govardhan Lal, Rajiv Gupta, Govindji Gupta, Gaurav Gupta, Almondz Entertainment P. Ltd, Naresh Gupta, Sandeep Kumar Gupta, Anjani, Global Wealth, Punit Kapoor, Sudheshwar Kumar Gupta, Ishan Chadha, Doctor Saurabh Gupta, Sarika Gupta and Nitin Chadha, had allegedly executed reverse trades in the scrip of RIL.

**Synchronized / Structured Trades:**

59. It is alleged that some of the abovementioned circular trades were also in the nature of synchronized trades i.e. the difference between buy order time and sell order time was less than 60 seconds. During the relevant period, it was alleged in the SCN that 13 Group-II entities had executed 13 synchronized trades through 13 orders resulting in a volume of 17,410 shares. Further, the circular trades entered into by the Group II entities also included numerous structured trades. It was noted that

there were 620 structured trades from the circular trades aggregating to 2,58,185 shares. The details of the said alleged structured trades entered into by the Group II entities is as under:

Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Gross Total	Total traded qty among the suspected entities	Structured traded qty by suspected entities	Structured Trades as % of total traded qty among the suspected entities	Structured Trades as % of Total market volume	Sum of +ve LTP contribution at Structured Trades
2634934	2617717	5252651	2013073	258185	12.83%	3.23	24.55

60. The following table also depicts the structured trades indulged in to by the Group II entities:

Diff. in seconds	Diff. in Buy and Sell order rate	Total Traded Qty of Structured trades by Grp II	Total No. of structured trades by Grp II	Secondwise %age of total structured trade qty by the Group-II	Secondwise %age of total trade number by Grp II
2 seconds	0	1628	3	0.63	0.48
3 seconds	0	500	2	0.19	0.32
5 seconds	0	3155	3	1.22	0.48
6 seconds	0	6	1	0.00	0.16
7 seconds	0	5314	6	2.06	0.97
8 seconds	0	1500	2	0.58	0.32
9 seconds	0	3419	5	1.32	0.81
10 seconds	0	1414	3	0.55	0.48
0 to 10 seconds	0	16936	25	6.56	4.03
11 to 20 seconds	0	32113	65	12.44	10.48
21 to 30 seconds	0	55949	106	21.67	17.10
31 to 40 seconds	0	51829	131	20.07	21.13
<b>0 to 40 seconds</b>	<b>Sub Total</b>	<b>156827</b>	<b>327</b>	<b>60.74</b>	<b>52.74</b>

41 to 50 seconds	0	55058	145	21.33	23.39
51 to 59 seconds	0	46300	148	17.93	23.87
<b>41 to 59 seconds</b>	<b>Sub Total</b>	<b>101358</b>	<b>293</b>	<b>39.26</b>	<b>47.26</b>
	<b>Grand Total</b>	<b>258185</b>	<b>620</b>	<b>100.00</b>	<b>100.00</b>

61. From the above, it was noted that the entities connected to Group-II had indulged in alleged structured trades resulting in creation of artificial volumes. Further, 60.74% of the total structured traded quantity by the Group-II entities happened within 40 seconds.
62. The entity-wise alleged structured trade details of buy and sell trades, orders and trade quantity among Group-II entities is given below:

Client Name	Client as a Buyer			Client as a Seller			Total (Buy + Sell)		
	Count of Buy Orders	Count of Buy Trades	Total Buy Qty	Count of Sell Orders	Count of Sell Trades	Total Sell Qty	Total Orders	Total Trades	Total Trade Qty
<b>ALMONDZ ENTERTAINMENT PRIVATE LIMITED</b>	37	37	18204	45	45	9252	82	82	27456
ANJANI ANJANI	19	19	4521	21	21	7341	40	40	11862
DOCTOR SAURABH GUPTA	38	38	13473	10	10	4000	48	48	17473
EMINENCE CAPITAL SERVICES / NARESH GUPTA	52	52	23883	60	60	27578	112	112	51461
FIRSTCALL CONSULTANCY SERVICES PRIVATE LTD.	46	46	6812	33	33	17424	79	79	24236
GAURAV GUPTA	14	14	4853	23	23	9475	37	37	14328
GLOBAL WEALTH CREATORS	82	82	39483	48	48	23694	130	130	63177
<b>GOVARDHAN LAL</b>	<b>60</b>	<b>60</b>	<b>25456</b>	<b>74</b>	<b>74</b>	<b>23346</b>	<b>134</b>	<b>134</b>	<b>48802</b>
GOVINDJI GUPTA	61	61	18421	57	57	25615	118	118	44036
ISHAN CHADHA	6	6	4700	9	9	2681	15	15	7381
MONIKA GUPTA	4	4	4632	8	8	3515	12	12	8147

<b>NITIN CHADHA</b>	<b>39</b>	<b>39</b>	<b>23675</b>	<b>27</b>	<b>27</b>	<b>14500</b>	<b>66</b>	<b>66</b>	<b>38175</b>
PUNIT KAPOOR	2	2	405	18	18	10730	20	20	11135
<b>RAJEEV GUPTA</b>	<b>29</b>	<b>29</b>	<b>13017</b>	<b>37</b>	<b>37</b>	<b>18891</b>	<b>66</b>	<b>66</b>	<b>31908</b>
<b>RAMA RANI</b>	<b>32</b>	<b>32</b>	<b>9953</b>	<b>41</b>	<b>41</b>	<b>9519</b>	<b>73</b>	<b>73</b>	<b>19472</b>
ROBART .	57	57	25657	73	73	35080	130	130	60737
SANDEEP KUMAR GUPTA	5	5	1355	3	3	962	8	8	2317
SARIKA GUPTA	24	24	9937	19	19	7478	43	43	17415
SHALU KAPOOR	1	1	2000	0	0	0	1	1	2000
SUDHESHWAR KUMAR GUPTA	12	12	7748	14	14	7104	26	26	14852
Grand Total	620	620	258185	620	620	258185	1240	1240	516370

### **LTP Contribution by Group II entities:**

63. An analysis of LTP variation was done for the Period from September 02, 2009 to December 31, 2009 and upon analysis it was noted that out of 6877 trades of Group-II entities, there was no change in LTP contribution in 6261 trades. However, the positive LTP contribution by entities during this period was of ₹78.3. The details are as under:

PAN	Client Name	All trades			LTP Diff >0			LTP Diff <0			LTP Diff. = 0	
		Net LTP	Sum of Quantity	No. of trades	LTP impact	Qty traded	No. of trades	LTP impact	Qty traded	No. of trades	Qty traded	No. of trades
APKPR9706D	GOVINDJI GUPTA	28.35	150940	631	41.6	9373	37	-13.25	13358	42	128209	552
AAHCA3646C	FIRSTCALL CONSULTANCY SERVICES PRIVATE LTD.	26.75	107975	468	39.3	20382	59	-12.55	15544	28	72049	381
AEEPL0021J	EMINENCE CAPITAL SERVICES / NARESH GUPTA	13.15	224440	758	36.5	17838	49	-23.35	23413	59	183189	650
AAHFG9994Q	RAMA RANI	7.65	104445	443	13.55	6048	34	-5.9	10061	21	88336	388
AIQPG6739G	NITIN CHADHA	2.15	83906	340	14.85	4365	28	-12.7	10977	31	68564	281
AFYPG0628M	GOVARDHAN LAL	0.25	277766	985	16.95	12196	50	-16.7	23611	58	241959	877
	<b>Total of above entities</b>	<b>78.3</b>	<b>949472</b>	<b>3625</b>	<b>162.75</b>	<b>70202</b>	<b>257</b>	<b>-84.45</b>	<b>96964</b>	<b>239</b>	<b>782306</b>	<b>3129</b>
	<b>Total of remaining entities</b>	<b>-73.6</b>	<b>1628640</b>	<b>5450</b>	<b>76.35</b>	<b>72646</b>	<b>185</b>	<b>149.95</b>	<b>143209</b>	<b>453</b>	<b>1412785</b>	<b>4812</b>
	<b>Grand Total</b>	<b>4.7</b>	<b>2578112</b>	<b>9075</b>	<b>239.1</b>	<b>142848</b>	<b>442</b>	<b>-234.4</b>	<b>240173</b>	<b>692</b>	<b>2195091</b>	<b>7941</b>

64. It was alleged that the Group-II entities on gross basis has contributed to a price increase of ₹239.10 during the investigation period, which is 8.81% of the total market wide positive LTP variation of ₹ 2714.90 for the said period. Similarly, on analyzing the trades wherein Group-II entities had on gross basis, sold at a lower price than the LTP variation, it was alleged that Group-II entities had contributed to a negative LTP variation of ₹ 234.4, which is 8.71% of total market wide negative LTP variation of ₹ 2691.90. It was therefore alleged that the six Group II entities viz. Govindji Gupta, Firstcall Consultancy Services Pvt. Ltd, Eminence Capital Services / Naresh Gupta, Rama Rani, Nitin Chadha and Govardhan Lal had contributed to the net positive LTP variation of ₹ 78.30 and contributed to price rise during the said period.

**First Trade Analysis:**

65. Upon analysis of the First Trade carried out by the Group II entities to find whether any entity influenced the first trade of the day to inflate the price, it was noted that seven Group-II entities viz. Firstcall Consultancy Services Pvt. Ltd, Govindji Gupta, Global Wealth Creators, Eminence Capital Services / Naresh Gupta, Nitin Chadha, Rama Rani and Rajeev Gupta had set positive LTP variation (with respect to previous days' close) on 15 instances. The Group-II entities were found to be present on 18 First Trades, out of which on 15 First Trades they had allegedly created positive LTP. The details of entities of Group-II who contributed to positive cumulative LTP variation on the first trades during the investigation period to influence the opening price is given below-

Client Name	No. of first trades by Grp- II	Positive cumulative LTP variation in First Trades by Grp-II entity (Rs.)	% of Positive cumulative LTP variation of First Trades of Grp- II (entitywise) w.r.t. Market wide Positive LTP on First Trades in Period- 2 i.e. Rs.129.60
FIRSTCALL CONSULTANCY SERVICES PRIVATE LTD.	2	6.4	4.94
GOVINDJI GUPTA	4	6.4	4.94
GLOBAL WEALTH CREATORS	1	4.25	3.28

EMINENCE CAPITAL SERVICES LTD. / NARESH GUPTA	3	3.95	3.05
NITIN CHADHA	2	2.45	1.89
RAMA RANI	2	2	1.54
RAJEEV GUPTA	1	1.25	0.96
<b>Total</b>	<b>15</b>	<b>26.7</b>	<b>20.60</b>

**Self Trades:**

66. In addition to the above, it was alleged that nine Group-II entities, in addition to synchronized and circular trades, had also indulged in self trades. The summary of self trades done by the Noticees viz., Govardhan Lal, Rajeev Gupta and Rama Rani is given below -

Client Name	Total Self trade volume	Total Self trade count	No. of days on which self trades executed	Positive LTP contribution by self trades	Net LTP Contribution by self trades
GOVARDHAN LAL	10585	36	5	0.35	0.35
RAJEEV GUPTA	337	1	1	0	0
RAMA RANI	418	2	1	0	0

67. The Group-II entities as noted above had indulged in self trades during the relevant period and therefore, it was alleged that by indulging in the said manipulative trades, the Group II entities had created artificial volumes in the scrip of RIL.

**Role of Trading Members:**

DBS Cholamandalam Securities Ltd. now known as Cholamandalam Securities Ltd (Member Code : 237)-

68. It was noted that during the investigation period, the trading member viz. DBS Cholamandalam Securities Ltd. had dealt only for its three clients i.e. Dynamic

Global Propfranchises Ltd., Man Mohan Singh Dua and Ajit Singh Dua in the scrip of RIL. Further, from the KYC details for the clients obtained from the trading member DBS Cholamandalam Securities Ltd., it was noted that all the three clients have common email id i.e. MSD9999@rediffmail.com. Manmohan Singh Dua shared a mobile no. 9810011889 with Dynamic Global Propfranchises Pvt. Ltd. and another mobile no. 9810057216 with Ajit Singh Dua. While trading for the above clients, it was alleged that it had entered for 102 trades for 2,70,573 shares which were circular/reversal trades as well as cross deals resulting in creation of artificial volume and price rise. Further, these trades were executed from same location ID i.e. the Location ID for client and Location ID for counter party client was same i.e. '1100050001003001'. The said execution of trades resulted in cross deal which is a trade where the buyer client and seller client trade through the same broker.

69. It was further noticed that some of these trades i.e. 38 trades resulting in 1,38,965 shares were alleged to be synchronized trades wherein the time gap between buy order and sell order was less than 59 seconds. Further, there was no difference between buy order rate and sell order rate as well as buy order quantity and sell order quantity. Further, 33 trades for 36,930 shares were alleged to be structured trades wherein the time gap between buy order and sell order was less than 59 seconds. There was no difference in buy order rate and sell order rate. The clients while trading through the broker in the scrip had made a cumulative positive LTP variation of ₹12.25. Thus, Cholamandalam Securities Ltd was alleged to have failed to exercise due diligence and further had impacted the price and volume in the shares of RIL by acting as broker and counter party broker for circular trades, reversal trades, synchronized trades for connected entities. It was therefore, alleged in the SCN that Cholamandalam Securities Ltd had aided and abetted these clients in creation of artificial volume and price rise and thus, had violated the provisions of Section 12A(a), (b), (c) of SEBI Act, 1992, Regulation 3(a)(b)(c)(d), 4(1), 4(2)(a) of PFUTP Regulations, Clause A of Code of Conduct prescribed in schedule II of the Broker Regulations read with Regulation 7 of the said Regulations.
70. In view of the above, the following allegation were leveled against the Group I and Group II entities along with the Brokers:

Sr. No.	Name of the Entity	Alleged Violations
1.	Atul Tomar	Section 12A(a), (b), (c) of the SEBI Act, 1992, Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a),(b), (e) & (g) of the PFUTP Regulations and Section 11(C)(2) and 11(C) (3) of the SEBI Act, 1992.
2.	Mastermind Traxim Pvt. Ltd	Section 12A(a), (b), (c) of the SEBI Act, 1992, Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a),(b),(d),(e) & (g) of the PFUTP Regulations and Section 11(C)(2) and 11(C) (3) of the SEBI Act, 1992.
3.	Sumu Consultancy P.Ltd	Section 12A(a), (b), (c) of the SEBI Act, 1992, Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) & (g) of the PFUTP Regulations.
4.	SMVD Financial Consultants	
5.	Jewel Garments Private Limited	
6.	Rama Rani	
7.	Govardhan Lal	
8.	Nitin Chadha	
9.	Dynamic Global Propfranchises P. Ltd	Section 12A(a), (b), (c) of the SEBI Act, 1992, Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) & (g) of the PFUTP Regulations.
10.	Ajit Singh Dua	
11.	Man Mohan Singh Dua	
12.	Ajay Kumar HUF	
13.	Kamalesh Shantilaji Jain	
14.	Shatanand Sharma Sons HUF	
15.	Sunvision Infotech P.Ltd	
16.	Vijay Kapoor	
17.	Brijesh Sharma	
18.	D. D. Kothari	
19.	Darshan J Kothari	
20.	SMVD Securities Pvt. Ltd	
21.	Almondz Entertainment Pvt. Ltd	
22.	Ishan Chadha	
23.	Rajeev/ Rajiv Gupta	
24.	Monika Gupta	
25.	DBS Cholamandalam Securities Limited (now Known as Cholamandalam Securities Ltd)	Section 12A(a), (b), (c) of the SEBI Act, 1992, Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a),(b),(e) & (g) of the PFUTP Regulations, Clause A of the code of conduct for stock brokers as prescribed under Schedule II of the Broker Regulations read with Regulation 7 of the said Regulations.

## **REPLIES:**

### **Atul Tomar:**

71. Vide letter dated March 16, 2015, Shri Atul Tomar submitted that his office is situated at Delhi and as the personal hearing is scheduled at Mumbai, he is in the process of appointing a Lawyer from Mumbai to assist him. In view of the same, Shri Atul Tomar requested for an adjournment of 3 weeks for the personal hearing and additional time to submit his reply in the matter. However, no reply was received from the entity during the previous adjudication proceedings.
72. Further, the Notices issued to the Atul Tomar after the remand of matter in the instant adjudication proceedings returned undelivered, which were served later by way of affixture to him. Shri Atul Tomar vide his reply dated August 10, 2018 submitted that he had filed a reply which was not considered in passing the earlier order by the previous AO and requested to consider his previous submissions. He also submitted that he did not act in any mala intention in carrying put his trades and that there has been no manipulation in his trades.

### **Monika Gupta and Rajeev Gupta:**

73. Vide separate but identical letters dated March 13, 2015, Ms Monika Gupta and Shri Rajeev Gupta (husband and wife) have submitted their replies in the matter and stated that they have no knowledge of the trading done in the shares of RIL. They submitted that their trading account is generally taken care of by employee of their broker i.e. Mr. Anjani and he had assured Shri Rajeev Gupta and Ms Monika Gupta that he will give good returns on the investments so done. The entities further submitted that the trading in the scrip of RIL done in their trading account was done by Mr. Anjani and he had also made a loss of Rs. 2,00,000 in the account of Monika Gupta and a loss of Rs. 3,00,000 in the account of Shri Rajeev Gupta. After two months of arguments with the broker, Mr. Anjani has provided an affidavit dated March 16, 2010 on a stamp paper (copy in support thereof enclosed with the replies) wherein Mr. Anjani has stated that he had done the trading in the scrip of RIL to get higher monthly commission from the broker. Further, Mr. Anjani also has admitted that he is from a small town i.e. Mirzapur and his financial position is very weak and that he will be reimbursing Shri Rajeev Gupta and Ms Monika Gupta the

losses from his monthly salary in subsequent years, but it is the case of Shri Rajeev Gupta and Ms Monika Gupta that Mr. Anjani left Delhi within two three months and no money was recovered from him. Further, both the entities also stated that they are not in a position to appear before the Adjudicating Officer for personal hearing in short notice.

74. In the proceedings after the remand of matter, the Notices issued to Shri Rajeev Gupta and Ms Monika Gupta returned undelivered and the same were subsequently served through affixture. However, no reply has been filed before me.

**Nitin Chadha and Ishan Chadha:**

75. Vide separate but identical letters dated March 05, 2015, Shri Nitin Chadha and Shri Ishan Chadha (brothers) submitted their replies and stated that in the year 2008 they came in contact with one Mr. Anjani through acquaintances in connection with trading of the carpets. Slowly and gradually the Noticees submitted that they developed a close relationship with Mr. Anjani. Mr. Anjani introduced Shri Nitin Chadha to the trading in the share market showing a rosy picture regarding the high gains and persuaded them to invest in the share market. It is the case of Shri Nitin Chadha that as he was not aware of the share trading, Mr. Anjani helped him in opening various trading accounts and started trading from the same, on the pretext of helping Shri Nitin Chadha learn and understand the market trends and profit makings. It is submitted by Shri Ishan Chadha that upon learning the market trends, Shri Nitin Chadha opened a trading account for him in which Ishan Chadha has never traded. Shri Nitin Chadha submitted that Shri Anjani had helped many other entities in opening accounts and trading who were looking forward for share trading.
76. Further, Shri Nitin Chadha stated that Mr. Anjani introduced him with one Mr. Rajeev Gupta who Mr. Anjani claimed to be a partner and a very well experienced person in the business of share market. Mr. Rajeev Gupta made representations and assured high gains with low risk and convinced Shri Nitin Chadha to invest decent amount in the stock market and further guaranteed good returns. Shri Rajiv Gupta even assured Shri Nitin Chadha to manage his accounts till the time he fully learns

the trends and processes of the trade. Shri Nitin Chadha also submitted that Shri Rajeev Gupta taught him the trading methods, trends and processes and Shri Anjani used to operate his Demat account. Shri Anjani even convinced Shri Nitin Chadha to open a company and they both formed a company in the name and style of M/s Almondz Entertainment Private Limited and Shri Anjani was authorized to manage the day to day working of the said company.

77. Further, in the year 2012, Shri Nitin Chadha submitted that he came to know that Shri Anjani had forged his signatures on various papers and cheques to commit several frauds and had opened trading accounts without his knowledge and consent thereby cheated Shri Nitin Chadha and therefore, a criminal complaint against Shri Anjani has been filed by Shri Nitin Chadha which is still pending before the Police Station, Madhu Vihar Delhi (copy in support thereof enclosed with the reply). It is the case of the Noticee that he has been cheated by Shri Anjani and Shri Rajeev Gupta and have misused the trading account by incurring huge losses. Shri Nitin Chadha and Shri Ishan Chadha submits that he is only a victim of the acts committed by Shri Anjani and Shri Rajeev Gupta and has nothing to do with the manipulation in the scrip of RIL.
78. Subsequent to the remand of the matter, the aforesaid Noticees vide separate letters reiterating the aforesaid submission submitted that all the trades from their account was carried out by Mr. Anjani and Mr. Rajeev Gupta and that they were connected to ALmondz Entertainment Pvt Ltd only as Mr. Nitin Chadha was a director of the same. It was submitted that Mr. Anjani and Mr. Rajeev Gupta had opened several trading accounts and the KYC were filled by them and therefore they are not associated with any other Noticees and that the phone numbers except 9810493467 do not belong to them which have been the basis of connection. The Noticees also submitted that the trades carried out by them were very less compared to the trades carried out by the other entities of Group II and that there was a difference in the buy order rate and the sell order rate in the alleged synchronised/ structured trades.

**Dynamic Propfranchises Pvt.Ltd., Shri Man Mohan Singh Dua & Shri Ajit Singh**

**Dua:**

79. Vide letter dated February 22, 2015 Dynamic Propfranchises Pvt.Ltd submitted its reply in the matter. The Noticee submitted that it is engaged in the business of real estate and stated that while trading in the scrip of RIL, it had suffered losses. Further, the Noticee submitted that it was approached by Cholamandalam Securities Limited who had induced the Noticee to avail the stock broking services of their company by getting trading and DMAT accounts opened. The Noticee got two accounts opened with the said Broker i.e. Trading account and demat account. The Noticee submitted that all transactions on market or off market in the scrip of RIL were carried out in the account of the Noticee by the broker without the instructions / consent of the Noticee. That the dealer / RM of Cholamandalam Securities Limited had complete and sole control over the trading account of the Noticee, of which he took the undue advantage by carrying out unauthorised transactions in the scrip. The Noticee was always kept in the dark as regards the correct status of his trading account. Therefore, in view of the said conduct of the broker, the Noticee has filed a complaint with Cholamandalam Securities Ltd thereby claiming compensation for the losses suffered by the Noticee.
80. With respect to the allegation that Markup Trading Pvt. Ltd. had allegedly transferred 1,18,000 shares in off market to the Noticee for indulging in circular/reverse/synchronized trades, the Noticee submitted that the said shares were actually bought by it in off market from CSB Capital Ltd. Since, the delivery of the said shares was received from Markup Trading Pvt. Ltd. instead of CSB Capital Ltd. the Noticee had returned the shares to Markup Pvt. Ltd. and had cancelled the said deal. Further, it is submitted by the Noticee that it had made payments vide two cheques i.e. one amounting to ₹ 1 Crore and another for ₹ 20 Lakhs towards purchase of the said shares to CSB Capital Ltd. However, as the deal was cancelled the Noticee received back its first cheque for ₹ 1 Crore. It is stated that the other cheque for 20 Lakh has been retained by CSB Capital Ltd. and has been presented for encashment. In view of the same the Noticee has issued Stop Payment Instructions as a result of which the cheque has been bounced and therefore, a

criminal complaint against the Noticee has been filed by CSB Capital Ltd. in Faridabad Court. The said criminal case has been dismissed and the Noticee has been acquitted. Therefore, it is the case of the Noticee that it is not connected or associated with Markup Trading Pvt. Ltd. and has not traded in the scrip of RIL in a fraudulent manner.

81. With respect to the relationship with few of the entities the Noticee admits that it is associated with one Mr. Ajit Singh Dua and Mr. Man Mohan Singh Dua. Mr. Man Mohan Singh Dua is the director with the Noticee Company and Mr. Ajit Singh Dua is his son. Further, a broker client relationship is shared with Cholamandalam Securities Ltd.
82. As the trading account of the Noticee was handled by Cholamandalam Securities Ltd., being the broker, it is submitted by the Noticee that its account was misused by the dealer/RM of Cholamandalam Securities Ltd. to manipulate in the scrip of RIL.
83. Vide separate but identical letters dated February 22, 2015 Shri Man Mohan Singh Dua and Shri Ajit Singh Dua submitted their replies in the matter. The Noticees submitted that they are business men engaged in the business of real estate and stated that while trading in the scrip of RIL, they had suffered losses. Further, the Noticees submitted that they were approached by some marketing personnel of Cholamandalam Securities Limited who had induced the Noticees to avail the stock broking services of their company by getting trading and DMAT accounts opened. The Noticees got two accounts opened with the said Broker i.e. Trading account and demat account. The Noticees submitted that all transactions on market or off market in the scrip of RIL were carried out in the account of the Noticee by the broker without their instructions / consent. They also submitted that the dealer / RM of Cholamandalam Securities Limited had complete and sole control over their trading account, of which he took the undue advantage by carrying out unauthorised transactions in the scrip. The Noticees were always kept in the dark as regards the correct status of his trading account. Therefore, in view of the said conduct of the broker, the Noticees have filed a complaint with Cholamandalam Securities Ltd thereby claiming compensation for the losses suffered by them.

84. With respect to the relationship with few of the entities Shri Man Mohan Singh Dua admits that he is associated with one Mr. Ajit Singh Dua and Dynamic Propfranchises Pvt. Ltd. The Noticee is the director with Dynamic Propfranchises Pvt. Ltd. and Mr. Ajit Singh Dua is his son. Further, a broker client relationship is shared with Cholamandalam Securities Ltd.
85. As the trading account of the Noticees were handled by Cholamandalam Securities Ltd., being the broker, it is submitted by the Noticees that their accounts was misused by the dealer/RM of Cholamandalam Securities Ltd. to manipulate in the scrip of RIL.
86. Further, vide identical but separate letters dated March 05, 2015, the Noticee have requested the inspection of certain documents which has been granted vide letter dated March 23, 2015. The Noticee vide letter dated April 06, 2015 submitted that they have already received the documents relied upon in the SCN and do not wish to avail any inspection of documents in the matter.
87. Subsequent to the remanding of the matter, the aforesaid 3 Noticees availed the opportunity of hearing and reiterated the aforesaid submission and further made additional submission vide their stating that they were approached by the marketing personnals of Cholamandalam. That thir accounts were unauthorisedly used by Cholamandalam and they had filed a complaint to Cholamandalam vide letter dated January 27, 2010 even before the initiation of the instant proceedings requesting them to provide with the contract noted and account statements. It has been the case of the noticee that noticee had not availed the online trading facility from its broker i.e. Cholamandalam Securities Ltd. and that all transactions in noticee's account were carried out by the dealer/RM of the Cholamandalam Securities Ltd.

**Jewel Garments Pvt. Ltd :**

88. Jewel Garment Pvt. Ltd. vide its letter dated February 26, 2014 sought 45 days time to file it written submissions. Further, the Noticee had vide its letter dated April 09,

2014, had requested for an investigation report concerned to the company only and 60 days additional time to reply to the SCN. However, no reply was received from the Noticee. Therefore, an opportunity of personal hearing was granted to the Noticee on February 23, 2015 and March 16, 2015. The Noticee vide letter dated March 14, 2015, had sought an adjournment of three weeks from appearing at the personal hearing scheduled on March 16, 2015. Also, vide letter dated March 21, 2015, an opportunity of inspection of documents was granted to the Noticee. However, it is noted that the Noticee did not correspond to the said letter of inspection nor availed the said opportunity to inspect the documents. Also, it has not filed any reply in the matter till date.

89. Further, in the instant adjudication proceedings after remand, the Notices issued to Jewel Garments Pvt Limited returned undelivered and the same were subsequently served through affixture. Vide its reply dated August 11, 2018, Jewel Garments submitted that he had filed a reply which was not considered in passing the earlier order by the previous AO and requested to consider his previous submissions. It was also submitted that it did not act in any mala intention in carrying out its trades and that there has been no manipulation in the trades.

**Shatanand Sharma Sons HUF, SMVD Financial Consultants, Ms. Brijesh Sharma, SUMU Consultancy Pvt. Ltd. and SMVD Securities Pvt. Ltd.:**

90. Vide letter dated June 05, 2014, the Noticee Shatanand Sharma Sons HUF, submitted its reply in the matter and stated that all the transactions in the scrip of RIL carried out by the Noticee were genuine, backed by delivery and were in total compliance of all prudential norms and requirements of the broker, exchange and SEBI. The Noticee further submitted that the order for sale of exact number of shares viz. 3,500 shares were placed on the trading terminal of the exchange on two trading days and on execution thereof 3500 shares were given delivery to the broker from the Noticee's own demat account and this was the only transaction carried out by the Noticee during the investigation period in the scrip of RIL. Further, the Noticee repeated that it had merely sold 3500 shares on two trading days i.e. February 13, 2009 (sold 2500 shares) and on February 16, 2009 (sold 1000 shares).

91. The Noticee submitted that it is a retail investor in the capital market and deals only through SEBI registered stock brokers. Also, the Noticee has invested in many scrips including RIL since its incorporation. On December 01, 2008 i.e. pre investigation period, the Noticee was holding 79,299 shares of RIL in its demat account. During the investigation period, to book profit and for requirement of fund out of the total holding of 79,299 shares of RIL, the Noticee sold 3500 shares. The said transaction was delivery based. The Noticee further submitted that it did not purchase any shares of RIL and had sold only 3500 shares constituting 0.03% of the market volume during the relevant period. The said volume is very miniscule to have created artificial volume in the scrip of RIL if compared to the total traded volume in the scrip.
92. With respect to the allegation of being connected to the Group I and Group II entities, the Noticee denied being a part of the said groups and further submitted that it never had any trading account or depository account with stock brokers viz. DBS Cholamandalam Securities Limited and .Mangal Keshav Securities Limited who are alleged to have acted as broker and counter party broker for circular trades / reversal trades, synchronized trades, structure trades, self trades for connected entities. The Noticee denied having any connection with RIL company and any of its promoters / directors either directly or indirectly.
93. With respect to the allegation of executing synchronized trades, the Noticee submitted that on February 13,2009, an order No.47022900020939500 was placed at 10:47:30 and the same got executed with a time gap of 00.58 seconds. This single trade was alleged as synchronized trade and the Noticee stated that it was a mere coincidence.
94. Vide letter dated March 01, 2014, the Noticee SMVD Financial Consultants, sought 60 days time file its written submissions in the matter and accordingly, vide its letter dated March 16 ,2015 filed its written submissions. The Noticee, inter alia, submitted that, Shri Shatanand Sharma is the sole proprietor of the Noticee company. It is the case of the Noticee that just because its proprietor, Shri

Shatanand Sharma had some dealing with persons/entities who had carried out trades in the scrip of RIL, it has been roped into the present proceedings.

95. Further, the Noticee has been carrying on share trading and investment activities for over 10 years besides working as a 'Remisier' with brokers of BSE. The Noticee has introduced several investors/clients to the brokers for whom it earned brokerages and commission. In the regular course of its business it had introduced various clients viz, Shri Danesh Pandit, Shri Rajan Shrivastava, Shri Rajan Gosh, Sumu Consultancy Pvt. Ltd., Ms. Leena Batra, etc. However, its role is limited and has nothing to do with the trading and investment activity carried out by the investors/clients introduced by it with the broker. As a Remisier, the Noticee is not entitled to know the details of any transactions executed between the client and the broker as there exists a privacy of contract between them. Merely because the Noticee introduced a person as a potential client/investor to a Broker, no allegation of wrongdoings if any done by them in the market can be attributed to the Noticee. It is possible that the broker filled in the phone number details of Shri Shatanand Sharma without his knowledge for their convenience and therefore the same cannot be considered as a connection with any of them.
96. The Noticee further submitted that during the pre investigation period it purchased 3853 shares of RIL at ₹ 20/- on October 10, 2007 and sold 2000 shares at ₹ 41.92 amounting to ₹ 83,840 on March 03, 2009 and thereby made a profit of ₹ 43,840/- . The Noticee also purchased 5851 shares amounting to ₹ 140405/- and sold 5851 shares amounting to ₹ 151384/- making a profit of ₹ 11,320 /- between the period from March 19, 2009 and September 04, 2009. It is the case of the Noticee that by trading in the shares of RIL the Noticee did not earn anything beyond the profit made. The dealing in the shares of RIL were delivery based. During the investigation period of 13 months the Noticee had merely bought 5851 shares on three trading days and sold 7851 shares on four trading days. The purchase of 5851 shares constituted 0.05% of the total market volume and the same of 7851 shares constituted 0.06% of the total market volume. The said volume is very miniscule and cannot impact the volumes in the scrip of RIL.

97. With respect to the allegation of being a part of group I entities, the Noticee submitted that except for Shatanand Sharma Sons HUF where in its proprietor is the Karta, Smt. Brijesh Sharma, Wife of Shri Shantand Sharma and the two companies namely SUMU consultancy Pvt. Ltd. and SMVD Securities Pvt. Ltd. wherein Shri Shatanand Sharma is the Director, the Noticee is not connected to any other entity in the said group. Further, the Noticee submitted that it does not have any relationship with any of the top 10 gross net buyers and sellers. The basis of connection among the group is sought to be established on the ground that Shri Shatanad Sharma had introduced few clients, had entered into certain off market transactions with few entities, that he shares the e-mail id with Smt. Brijesh Sharma, that Shri Shatanand Sharma is the Director in SUMU consultancy Pvt. Ltd. and SMVD Securities Pvt. Ltd. and that the address and the telephone number of the above named companies is the same.
98. The noticee contended that its proprietor Shri Shatanand Sharma had introduced the clients to a Broker in his capacity as a Remesier. Further, with respect to off market transactions the Noticee submitted that few stray off market transactions by and between the persons for commercial consideration has nothing to do with their dealing in the scrip of RIL on the Stock Exchange. Just on the basis of off market transactions with one or two persons, the noticee stated that it cannot be linked to other persons.
99. The Noticee denies the execution of any circular synchronized or structured trades as all the trades carried out in the shares of RIL did change ownership and were delivery based. As the trading is done on the automated system it is impossible to know the identity of the counter party. So, it is merely a co-incidence if the trades have matched.
100. Vide letter dated March 01, 2014 the Noticee requested for a period of 60 days to file her reply in the matter. Accordingly, vide letter dated May 21, 2014, the Noticee Smt. Brijesh Sharma filed her written submissions in the matter, wherein she has stated that she is a lay investor of the capital market and does not fully understand

the complex provisions of the securities laws. The Noticee further, submitted that just because her husband Shri Shatanand Sharma had some dealing with persons/entities who had carried out trades in the scrip of RIL, she has been roped into the present proceedings. The Noticee stated that she had sold 8152 shares on two trading days i.e. October 23, 2009 (3652 shares) and on October 26, 2009 (4500 shares). The said transactions were delivery based and were carried out in the ordinary course of the business. The said shares were sold to the broker Globe Capital Market Ltd. and on pay out she had received an amount of ₹924049 /- from her broker. The trading constituted merely 0.06% of the total market volume the said volume is very miniscule and by any standard or measure to have impacted the volumes in the scrip of RIL.

101. Further, the Noticee submitted that she does not have any relationship with any of the top 10 gross net buyers and sellers. The Noticee denies the execution of any circular synchronized or structured trades as all the trades carried out in the shares of RIL did change ownership and were delivery based.
102. Vide letter dated March 01, 2014, the Noticee SUMU Consultancy Pvt. Ltd., sought 60 days time to file its written submissions in the matter. Further, vide letter dated February 06, 2014 (received by SEBI on February 16, 2015) the Noticee sought additional time to file its reply and accordingly, vide its letter dated March 27, 2015 filed its written submissions. The Noticee, inter alia, submitted that, its name has been changed from Sumu Consultancy Private Ltd. to SMVD Financial Consultants Private Ltd. w.e.f. October 05, 2009 and thereafter it was changed to SMVD Infrastructure Private Limited w.e.f. February 09, 2012. The Noticee also submitted that it has changed its line of business from share trading to infrastructure projects due to which it cannot be linked to form a part of the alleged group. Further, Shri Hari Bhushan, Shri Shatanand Sharma, Shri Deepak Kansal and Shri Sanjay Jain are the present directors of its company.
103. It is the case of the Noticee that it had dealt in the shares of RIL in the normal and ordinary course of its business, while carrying out intraday trading activity in the shares of RIL and on net basis has given and taken delivery of shares at the end of every settlement. No query was raised by its broker or stock exchange upon

execution of its trades. Its trading in the shares of RIL has nothing to do with the trading if any carried out by Shri Rajan Shrivastava, Shri Danesh Pandit, Shri Atul Tomar and Shri Sheo Shankar Dubey. The Noticee denies having carried out trades just to create artificial volume or price rise.

104. With regards to the allegation of reversal trades, it is the Noticees case that quantities are not matching with its buy and sell trades. For example, on 1st December, 2008 out of 2368 shares bought and sold, only 1595 shares were reversal trades. These trades are natural and arising out of squaring up of opening position and co-incidental since it has done intraday trading. The Noticee, submitted that it executed jobbing cum delivery based transactions in the shares of RIL and they were purely at market rate.
105. With regards to the allegation of Synchronized trading, the Noticee submitted that the trades occurred only on 9 days on buy side and 15 days on sell side out of our 52 days trading out of 264 days trading in the market during investigation period. Hence, these trades were not pre-meditated but unintentional and co-incidental. The Noticee also submitted that since the scrip was liquid, there is bound to be lesser gap between the order time and the trade time. The Noticee had mostly placed orders at the market rate and only one trade is alleged to be synchronized. further, The Noticee executes trades on automated system and therefore it is impossible to know the identity of the counter party, therefore the synchronization is co-incidental.
106. Further, the Noticee submitted as regards the allegation of creation of New High Price (NHP), that, in most cases the counter party orders were placed before it and there is no variation in the Last Traded price. Hence the Noticee could not have created the NHP. As regards the positive LTP variation on January 07, 2009, it is the case of the Noticee that it is the counter party Shri Rajan Shrivastava who ought to be held responsible, if at all, for LTP variation. As the 20 shares of the Noticee is insignificant to create any upward pressure on price.

107. With regards to the allegation of Self Trades, it is the case of the Noticee that in some cases there is even a vast difference of 5 hours in time. Further, self trades have occurred on 7 days only out of 264 trading days during the investigation period. The alleged volume is 832 shares out of the total market volume, which occurred merely by co-incidence. Also, the quantity was miniscule and could not have created any impact on shares of RIL in the market.
108. The Noticee denies the allegation of sharing its address with Shri Atul Tomar and Shri Narendra Kumar as according to the SCN at S. No. 10 address of Shri Narendra Kumar is mentioned as 5/277, 11th Floor, Lalita Park, Laxmi Nagar, Delhi-110092 and at S. No.1, Shri Atul Tomar's address is mentioned as CF 10, Shiva Enclave, Pashchim Vihar, New Delhi-110063 which is quite different from its address mentioned as S. No. 6 i.e. Sumu Consultancy Private Ltd, B35A, Mandawli, Delhi-110092 and 305-306/12 Aditya Commercial Complex, Preet Vihar Commercial Complex, Delhi-110092.
109. The Noticee submitted that SMVD Securities Ltd is a Group Company. However they have their independent business and therefore share the same address. It is the case of the Noticee that just because its proprietor, Shri Shatanand Sharma had some dealing with persons/entities who had carried out trades in the scrip of RIL, it has been roped into the present proceedings. With respect to the allegation of being a part of group I entities, the Noticee submitted that except for Shatanand Sharma it is not connected to any other entity in the said group. Further, the Noticee submitted that it never had any trading account or depository with Cholamandalam Securities Ltd. and Mangal Keshav Securities Ltd. Further, the Noticee submitted that with respect to the allegation of RIL pledging shares, the same is beyond its knowledge and concern. Also it is the case of the Noticee, with regards to the allegation of off market transactions that it has not executed any off market transactions together with Mastermind Traxim Pvt. Ltd., Markup Trading Pvt. Ltd. and Gamut Exports Pvt. Ltd.
110. The Noticee submitted that it is neither directly or indirectly connected with any of the Group II entities and therefore cannot be held responsible if the group had

indulged in price manipulation and artificial volume through circular, synchronized, structured and self trades in the shares of RIL. Also it is not connected to any of the promoter group of the RIL company and has no role in the increase or the decrease of their shareholding. Further, it is the case of the Noticee that it does not have any relationship with any of the top 10 gross net buyers and sellers.

111. Further the Noticee submitted that it's total purchase and sale during the investigation period was 1,57,764 shares and 1,13,545 shares respectively, thus resulting in net purchase / delivery of 44,219 shares during investigation period, which goes to show that the Noticee has made an investment in the company and therefore will not be in its interest to carry out of any undesirable activity in the shares of RIL.
112. With regards to the allegation of circular trades among Group-I entities, It is the case of the Noticee that it did not execute any circular trades and there was actual transfer of ownership of shares purchased / sold by it. there for the Noticee denies the creation of artificial volume resulting in price rigging and price manipulation during the investigation period. The Noticee also submitted that It did not indulge in any trading during the 10 days viz. 07.05.2009, 26.02.2009, 24.03.2009, 15.07.2009, 11.06.2009, 23.12.2008, 18.08.2009, 27.03.2009, 14.05.2009 & 16.07.2009, while the alleged Group-I entities had executed maximum trades.
113. With respect to the allegation of structured deals executed by the Noticee, it submitted that the same is purely co-incidental as can be viewed from the large number of trades taken place in the market and even by the counter party on the same day itself. The Noticee only bought 1,57,764 and sold 1,13,545 shares, while giving and taking delivery of the same.
114. Vide letter dated March 01, 2014, the Noticee SUMU Consultancy Pvt. Ltd., sought 60 days time file its written submissions in the matter and accordingly, vide its letter dated March 17, 2015 filed its written submissions. It is the case of the Noticee that Shri Shatanand Sharma is the sole proprietor of the Noticee company. It is the case of the Noticee that Shri Hari Bhushan, Shri Shatanand Sharma, Shri Deepak

Kansal are the three directors of its company and just because its whole time director, Shri Shatanand Sharma had some dealing with persons/entities who had carried out trades in the scrip of RIL, it has been roped into the present proceedings.

115. The Noticee further submitted that during the investigation period it purchased shares of RIL at ₹ 19.66/- on October 01, 2007 and sold 12,100 shares at ₹ 48.36 amounting to ₹ 5,85,150 between February 13, 2009 and February 16, 2009 and thereby made a profit of ₹ 3,47,264/-. It is the case of the Noticee that by trading into the shares of RIL the Noticee did earn anything beyond the profit made. The dealing in the shares of RIL were delivery based. During the investigation period of 13 months the Noticee had merely sold 12,100 shares on two trading days.
116. The Noticee denies the execution of any circular synchronized or structured trades as all the trades carried out in the shares of RIL did change ownership and were delivery based. The Noticee's purchase percentage was 0.05% while the sale of 12100 share was 0.10% of the total market volume. The said volume is miniscule and could not have impacted the volume of shares of RIL. However, it is pertinent to mention that the same was done merely for profit booking and requirement of funds.
117. With respect to the allegation of being a part of group I entities, the Noticee submitted that except for Shatanand Sharma it is not connected to any other entity in the said group. Further, the Noticee submitted that it never had any trading account or depository with Cholamandalam Securities Ltd. and Mangal Keshav Securities Ltd. Further, the Noticee submitted that with respect to the allegation of RIL pledging shares, the same is beyond its knowledge and concern. Also it is the case of the Noticee, with regards to the allegation of off market transactions that it has not executed any off market transactions together with Mastermind Traxim Pvt. Ltd., Markup Trading Pvt. Ltd. and Gamut Exports Pvt. Ltd.
118. The Noticee submitted that it is neither directly or indirectly connected with any of the Group II entities and therefore cannot be held responsible if the group had indulged in price manipulation and artificial volume through circular,

synchronized, structured and self trades in the shares of RIL. Also it is not connected to any of the promoter group of the RIL company and has no role in the increase or the decrease of their shareholding. Further, it is the case of the Noticee that it does not have any relationship with any of the top 10 gross net buyers and sellers.

119. With respect to the allegation of circular trades and reversal trades it is the case of the Noticee that it has not executed any circular trades or reversal trades and there was actual transfer of ownership of shares sold and delivered by it.
120. With regards to the allegation of synchronized trades, the Noticee submitted that since the scrip was liquid, there is bound to be lesser gap between the order time and the trade time. The Noticee had mostly placed orders at the market rate and only one trade is alleged to be synchronized. further, The Noticee executes trades on automated system and therefore it is impossible to know the identity of the counter party, therefore the synchronization is co-incidental.
121. With respect to the allegation of structured deals executed by the Noticee, it submitted that it purely co-incidental as can be viewed from the large number of trades taken place in the market and even by the counter party on the same day itself. The Noticee only sold 12100 shares and gave delivery of the same.
122. Subsequent to the remand of the matter, the aforesaid Noticees vide separate laetters dated August 11, 2018 submitted that the aforesaid submissions made by them before the previous AO shall be considered as their reply in the instant matter as well.

**Ms. Dhvani D Kothari, and Shri Darshan Kothari:**

123. Ms. Dhvani D Kothari vide letters dated February 23, 2015 and March 05, 2015 submitted her reply in the matter and denied being connected with the Group I and Group II entities. Further, she submitted that she had not carried out any transactions with the said entities in the scrip of RIL. Similarly, vide identical letter dated March 05, 2015, Shri Darshan Kothari, husband of Ms. D D Kothari, made similar submissions as made by his wife, Ms. D D Kothari.

124. Subsequent to the remand of matter, the aforementioned Noticees vide their separate replies submitted that the allegations are vague against them as they are retail investors and had purchased the shares of RIL through offmarket for investment purpose duly paying to the broker from whom they had purchased and that their transaction were delivery based and change of beneficial ownership and that the quantum of trades they had carried out is insignificant to influence the market equilibrium. Further, vide their additional submission, they submitted a copy of the AO order stating that some of the Noticees who had contrived in higher volume had been exonerated with respect to the same subject matter of the instant case. It was submitted on behalf of Dhvani D Kothari that she had executed trades only on one day during the entire period of Investigation.

**Shri Kamlesh Shantilalji Jain**

125. Vide letter dated March 09, 2015, Shri Kamlesh Shantilalji Jain stated that all his personal and business records have been taken by the Central Excise Preventive Unit of Chennai which had conducted a search at all his business establishments. The Excise authorities had asked the Noticee to wait for 30 days to access the said records. However, no reply has been received from the said Noticee till date.

126. Subsequent to the remand of the matter, the aforesaid Noticee was served with a Notice granting opportunity of hearing and an opportunity to submit reply. However, no reply was filed by the Noticee till date.

**Shri Vijay Kapoor and Ajay Kumar Kapoor HUF::**

127. Vide letter dated March 01, 2014 the Noticee had requested for a period of 45 days to submit their reply in the matter. Thereafter, the Noticee vide letter dated March 24, 2015, submitted their replies in the matter, wherein they inter alia stated that merely for executing few and stray off market trades with persons who had carried out large and voluminous trades in the shares of RIL during the investigation period, they have been unnecessarily roped into the present proceeding. Shri Vijay Kapoor admittedly submitted that he had sold 98,000 shares (0.79%) on twelve trading days. The Noticee has also submitted that he executed delivery based

transactions and had not traded in the shares of RIL in any other manner whatsoever.

128. He further submitted that he is a retail investor of the capital market and deal only with SEBI registered stock brokers. That he makes his own decisions for buying, selling and investing in the stock market and executed delivery based transactions and did not involve in trading/speculative activities in the stock market. Denying the allegations of being a part of any group, he submitted that out of 264 trading days he traded only on 12 days and that his volume was very miniscule and could not have impacted the volumes in the shares of RIL.
129. With regards to the allegation of being a part of Group I, the Noticee submitted that merely because he received shares in off market from Shri Danesh Pandit and Shri Narendra Kumar, it cannot be said that they belong to the said group. Further, he submitted that he never had any trading account or depository account with Cholamandalam Securities Ltd. and Mangal Keshav Securities Ltd. who are alleged to have acted as broker and counter party broker for circular trades, reversal trades, synchronized trades, structured trades and self trades for certain connected entities. Also that he is not connected to any of the promoter group of the RIL company and have no role in the increase or the decrease of their shareholding. It is the case of the Noticee, with regards to the allegation of off market transactions that he has not executed any off market transactions together with Mastermind Traxim Pvt. Ltd., Markup Trading Pvt. Ltd. and Gamut Exports Pvt. Ltd.
130. With regards to the allegation of being a part of Group I, the Noticees submitted that they are neither directly or indirectly connected with any of them and therefore cannot be held responsible if the group had indulged in price manipulation and artificial volume through circular, synchronized, structured and self trades in the shares of RIL. Further, it is the case of the Noticees that they did not have any relationship with any of the top 10 gross net buyers and sellers except that the Noticees were only related to each other.

131. Further, the Noticees submitted that their sell orders on the relevant dates were placed in an autonomous trading terminal of the exchange, hence it is fallacious and erroneous to allege that their shares were sold back on market to a particular person.
132. With respect to the allegation of circular and reversal trades entered into by the group I entities and the Top 10 days when the said entities contributed to the artificial volumes significantly, the Vijay Kapoor submitted that he had not executed any trades even on a single day during the said period. Further he submitted that he had executed only sell transactions and therefore, the allegations of circular trades cannot stand against him. Shri Vijay Kapoor submitted that out of his total sale of 98,000 shares only 11,300 shares are alleged to be synchronized in nature and that the said transactions are merely a coincidence.
133. Vide letter dated March 01, 2014 the Ajay Kapoor HUF had requested for a period of 45 days to submit their reply in the matter. Accordingly, the Noticee vide letter dated March 24, 2015 submitted its reply in the matter. The Noticee stated that the said HUF was formed and constituted by the family member of Shri Ajay Kumar Kapoor and is a separate and an independent legal entity. The Noticee submitted that just because one of our members and Karta viz. Shri Ajay Kumar Kapoor had carried out trades in the scrip of RIL and it had received 16500 shares of RIL in off market from Shri Danesh Pandit, who is a part of the Group I entities, it has been unnecessarily roped into the present proceeding. The Noticee stated that it has merely sold 16500 shares on 3 trading days and the said transactions were delivery based. The HUF further submitted that it is a retail investor of the capital market and deals only with SEBI registered stock brokers. The investments made in the scrip of RIL, were based on its study analysis and perception of textile industry. The said transactions in the scrip of RIL was done for requirement of funds through its broker Trust Line Securities Ltd.
134. With respect to the allegation of synchronized trades the HUF submitted that only one sale transaction of 1000 shares is alleged to have been synchronized and the same is merely a co-incidence. Further the HUF submitted that matching of its

orders on three days i.e. synchronized trades of 1000 shares with Jewel Garments Pvt. Ltd. and structured trades for 4376 shares with Shri Sheo Shankar Dubey, Shri Rajan Shrivastava and SUMU Consultancy Pvt. Ltd. was miniscule when compared to the total volumes traded by the said entities were executed by the counter party clients during the investigation period. The Noticee stated that on January 19, 2009, it had placed 84 orders for sale of 6050 shares which resulted into trades for 6000 shares, matched with different counter parties i.e. Shri Sheo Shankar Dubey, Shri Rajan Shrivastava and Shri Kamlesh Kumar Kataria, further on February 05, 2009, the Noticee placed 11 orders for sale of 7144 shares which resulted into trades for 5500 shares and matched with Jewel garments Pvt. Ltd. Sumu Consultance Pvt. Ltd. Shri Kamlesh Kumar Kataria and Shri Sheo Shankar Dubey. On February 06, 2009, the Noticee placed 7 orders for sale of 5064 shares which resulted into 5000 shares and matched with Jewel Garmets Pvt. Ltd. Shri Neeraj Kumar Jain, Shri Rajan Shrivastava and Shri Kamlesh Kumar Kataria and all the transactions were genuine.

135. With regards to the allegation of structured trades executed by the Group I entities, the HUF submitted that only trades for 4376 shares were structured and it was merely a coincidence.

**Cholamandalam Securities Ltd. :**

136. Vide letter dated February 28, 2014 Cholamandalam Securities Ltd. requested for an extension of two weeks to file their reply in the matter. Accordingly, vide letter dated March 04, 2015, the Noticee filed its written submissions in the matter, where in it had submitted that, it is a wholly owned subsidiary of Cholamandalam Investment and Finance Company Ltd. which operates from over 579 branches across India. The Noticee is the member of NSE and BSE and is also registered as a Depository Participant with both NSDL and CDSL. It further, submitted that it is not in any manner associated with or connected to the promoters of RIL or any of the entities alleged to have indulged in manipulation in the scrip of RIL. The Noticee is not aware of any association between the clients and other entities or that any of the clients were associated with or connected to the Promoters of RIL or any of the entities, alleged to have indulged in manipulation in the scrip of RIL.

137. The brokerage earned by the Noticee from its clients during the relevant period is about ₹ 1.48 Lakh and in fact had suffered losses on account of the trading by the clients of about ₹ 4.57 Lakh, due to which arbitration proceedings were initiated. The alleged cross trades executed by the broker were pursuant to the instructions of the clients. The said cross trades were done at the market price and at a price not very different from the LTP. The trades in question had resulted in transfer of beneficial ownership between the clients and thus it is the case of the Noticee that it had under taken due care and diligence as is required from a stock broker. Further, the alleged reversal trades undertaken by the clients were not in the knowledge of the Noticee and were miniscule quantities. The total trading by the clients when compared to the over all group of which they are alleged to be a part of, is insignificant (Shri Ajit Singh Dua: -0.15%, DGPL: -0.14% % Shri Man Mohan Singh Dua :0%) There were no self trades undertaken in the scrip of RIL during the relevant period.
138. The Noticee submitted that during the relevant period the settlements of trades used to be effected on T+5 basis. The clients were known to the Noticee to be a part of a single group (Dua group) inter se. The Noticee had merely carried out trades as per the instructions of the clients and such trades were effected to enable inter se transfer of shares lying in one account to another account of the clients. The Noticee stated that the trades in question were in the nature of negotiated deals and were effected on the open market using the exchange's mechanism. It is the case of the Noticee that the brokers are not in a position to effectively monitor as to whether the trading by a client or a number of its clients do have any overall effect on the market. The surveillance in this regard is correctly done at the exchange level. Therefore, no fault can be found with the Noticee in the present case. During the relevant period, the clients had traded inter se in the scrip of RIL for a total of 27 days. The orders placed by the Noticee were in consonance with the LTP then prevailing on the screen based trading system. Further, the volume of trades effected by the clients through the Noticee were miniscule compared to the overall volumes alleged to have been generated by the various entities in the scrip of RIL.

139. Vide letter dated March 19, 2015, the Noticee submitted its additional reply in the matter and thereby reiterated its written submissions made vide its previous reply dated March 04, 2015.
140. Subsequent to the remand of the matter, the Noticee appeared for hearing on 2 occasions and reiterated the contents of the aforesaid submission. Further, on advising to submit the documents related to the arbitration proceedings against the Dua group of entities, the Noticee submitted the same vide their letter dated March 16, 2020.
141. Further, I note that the Noticees Sunvision, Atul Tomar and Jewel Garments submitted in the instant proceedings that their replies filed before the previous AO in the proceedings that was remanded back should be considered in the instant matter as well. However, on perusal of the file, I note that no reply on merits had been filed by the said entities in the previous proceedings which was also noted in the Annexure A to the previous Adjudication order dated May 19, 2015.

**FINDINGS:**

142. With respect to the charges against the Noticees-1 to 24, it is the primary submission of the all the Noticees that they are not connected to all the remaining entities of their respective Groups as alleged and they have disputed the basis of the connection set out in the SCN. In this regard, I find it pertinent to deal with the said issue before proceeding further.

***Group I Connections:***

143. I refer to the connections noted in table at para 14 at page 14 above with respect to Group I entities. Firstly I note that Brijesh Sharma who is the wife of Shatanand Sharma, Karta of the Noticee, Shatanand Sharma and sons HUF are directly connected with the other Group I entities SMVD Financial Consultant, SMVD Securities and Sumu Consultancy (SMVD Infra) from the fact that Mr. Shatanand was director / proprietor of the said companies. Further, as noted above, SMVD Financial was directly connected with Mr. Atul Tomar, Danesh Pandit, Sheoshankar Dubey and Rajan Shrivastava as they

shared the common phone number as per the KYC. Further, there have been common address of Sumu Consultancy with that of Atul Tomar and Narendra Kumar. In addition to the same, SMVD Financial had carried out off market transfers with Atul Tomar with whom rest of the Group I Noticees are also directly/indirectly connected in a similar way. In further corroboration, I note that all the aforesaid entities have involved in circular / reversal trades, structured trades, synchronized trades with some of the other entities of the Group. Considering the fact that the aforesaid connected entities group comprising of Shatanand family and companies are directly connected with Narendra Kumar, Atul Tomar and Danesh Pandit as noted in the prepares of this order, I am convinced that the aforesaid entities do form integral part of Group I.

144. With respect to the Noticees Darshan Kothari and Dhvani D Kothari, who are related to each other as husband and wife, I note that they have received the shares from the Group entity Bahar Paper Pvt Ltd in off market and have sold those shares to the same entity on market. Considering that the Bahar Paper Pvt Ltd has been the major contributor of shares in off market to the Group entities which also has transferred to Narendra Kumar and Sarita Gupta in off market. I also note that the fact while the shares were available for purchase on market, the shares were bought offline that too from a Group entity further corroborates the connection of the said Noticees. Therefore, I am of the opinion that Mr. Darshan Kothari and Dhvani Kothari can be reasonably presumed to be the part of the Group having been associated with Bahar Paper Pvt Ltd by buying the shares off market.
145. Further, Mr. Manmohan Singh Dua, Ajit Singh Dua and Dynamic Global Propfranchises Private Limited are admittedly connected to each other as is evident from the details noted at in table at para 14 at page 14 above. I note that Manmohan Singh Dua and Ajit Singh Dua had transferred a total of 23, 548 shares to Narendra Kumar on 2 days. As already noted, Mr Narendra Kumar who is connected to all the entities of the Group I in one way or the other, the transfer of shares in off market by the aforesaid entities casts a reasonable connection with the Group which is evident when seen in the context of the structured and synchronized trades as well. Similarly, Dynamic Global Propfranchises Private Limited was involved with off market transfers with Markup Trading Private Limited and thus associated with Group I.

146. Further, Vijay Kapoor and Ajay Kumar Kapoor HUF admittedly related to each other have involved with Narender Kumat and Danesh Pandit by receiving shares in off market and have subsequently sold the same to the Group entities and from the same, taking into the overall circumstances of the case where the trades have seen to be structured and synchronized, I am of the view that the connection of the said Noticees to the Group is reasonably forthcoming.
147. Further, I note from the table of connections that Atul Tomar who was an employee of RIL is evidently connected to the Group from the connections stated therein. Further, I also note that Jewel Garments who is a promoter group related entity is also associated with the group from the nature of synchronized trades being carried out with group entities in addition.
148. Similar to as noted above, Kamlesh Shantilala Jain and Mastermind Traxim are connected to the group based on their off market transfers with Narender Kumar and Danesh Pandit and Sunvision is noted to be connected based on the several sychronised and structured trades with several Group entities.
149. I note that no entities has submitted before me the details of price of the shares that were bought and sold between each other of the Group and considering that the shares were available for purchase in the market, such transactions without disclosing the price makes a reasonable adverse inference as to the connection and meeting of minds between the Noticees.

***Group II Connections:***

150. I note from the table mentioned at para 50 page 45 above that each of the Group II entities are connected to each other based on the common telephone number that has been mentioned in their KYC. In response to the same, the Noticees have stated before me that their account was opened by Mr. Anjani Kumar and Rajiv Gupta and they were not aware of the phone numbers mentioned in the KYC. I am not inclined to accept the submission of the Noticees as the Noticee were trading out of their money and were accountable for the profits and losses in their own names and merely stating that the account was opened by a third person cannot be accepted in the absence of any

sufficient material/fact to support the same. Moreover, the fact that there has been synchronized and circular trades with Group entities further negates the aforesaid argument placed before me. Therefore, I am inclined to note that the Group II entities were connected to each other.

151. I find from the SCN and the material available on record that during the period from December 01, 2008 to December 31, 2009 (first investigation period), a group of 35 entities as mentioned who were all connected to each other and referred to as Group I entities in the investigation report, had traded in the scrip of RIL and had contributed for 47.67% of total purchases and 41.24% of total sale trading volume of RIL during the relevant period. I further find that three entities viz. Mastermind Traxim P. Ltd, Markup Trading P. Ltd and Gamut Exports P. Ltd, all three connected to RIL, had transferred 4,49,900 shares of RIL through off-market transfers to certain entities forming part of Group I entities and had facilitated the said entities to trade in the scrip of RIL. As noted above, I find that all these Group I entities were indeed connected to each other by way of having common telephone numbers, e-mail IDs, addresses, being directors in same companies, having common brokers and acting as beneficiaries, relatives, off market transfer of shares, etc.
152. Further, during the period from September 02, 2009 to December 31, 2009 (second investigation period), the Group II entities had traded significantly in the scrip of RIL. As already noted above, I find that the said entities were related to each other by way of sharing common telephone numbers. Further, I find that during the second investigation period, the scrip was traded for 81 days during which 80,22,153 shares were traded in 26,107 trades from 14,270 orders on buy side / 14,993 orders on sell side. Out of the said trading days, the Group-II entities had traded on 54 days and bought 26,34,934 shares (32.85% of the total traded volume) in 9,820 trades from 4,285 orders and had sold 26,17,717 shares (32.63% of the total traded volume) in 9084 trades from 5442 orders on gross basis.
153. I find that during the first investigation period, the Group I entities had indulged in certain circular trades while trading in the scrip of RIL. I find that during the relevant period the Group I entities had entered into 23,327 circular trades in 22,605 buy orders and 4271 sell orders in 251 trading days. 37,46,287 shares i.e.

30.095% of the total traded volume 1,24,48,074 shares were bought and sold among the said connected entities. These circular trades clearly show that there was no transfer of beneficial ownership but the shares were circulated among the group entities which ultimately resulted in creation of artificial volume and price rise in the scrip of RIL. I further find that the said circular trades were executed through certain reversal trades, synchronized trades and structured trades. I further note that during the relevant period the Group I entities had traded heavily in the scrip of RIL thereby, contributing majorly on 10 trading days. For example: (a) On May 07, 2009 - Group I entities traded for 18882 shares while the total market volume traded on the said date was 18908, thereby, contributing 99.86% of the market volume, (b) Again on February 26, 2009 - Group I entities traded for 8003 shares while the total market volume traded on the said date was 8041, thereby, contributing 99.53% of the market volume, (c) on June 11, 2009 - Group I entities traded for 4219 shares while the total market volume traded on the said date was 4274, thereby, contributing 98.71% of the market volume. The said fact clearly shows that the scrip of RIL was thinly traded during the said period and the Group I entities by trading among themselves in manipulative ways had contributed majorly to the market volumes.

154. Further, I find that the circular trades entered into by these Group I entities had resulted in significant proportion of volume to the total market volume in the scrip. Out of 264 trading days, on 39 days, the percentage of circular trade volume of these entities to the total market volume was more than 90%. Further on 69 days, the percentage of circular trade volume of these entities to the total market volume was more than 80%. On 129 days, the percentage of circular trade volume of these entities to the total market volume was more than 50%. I note that if the volume created by the said circular trades entered into by the Group-I entities was not considered, then on most of the days the volume traded in the scrip of RIL was very thin or negligible. Further as mentioned in para 21, the said circular trades entered into by the Group I entities also included certain reverse trades entered into by 15 out of the 35 group entities. The pictorial depiction of the trades in the said para clearly shows the reverse trades entered into by the said entities which further created artificial volumes in the scrip of RIL. Further, the said circular trades also

included numerous synchronized trades which were indulged into by the Group I entities. During the first investigation period, I find that in 264 trading days there were 57,850 trades which were carried out for a traded quantity of 1,24,48,074 shares. Out of these, there were 1,777 trades from 1,772 orders for 25,09,697 shares (20.16% of the total traded quantity) in 225 trading days which were synchronized trades i.e. the difference between buy order time and sell order time was less than 60 seconds. Further, I find that there was no difference between buy order rate and sell order rate as well as there was no difference between the buy order quantity and the sell order quantity. I note that 33 Group I entities had indulged in large number of synchronized trades for 10,93,585 shares in 909 trades from 909 orders in 149 trading days. Further, 62.15% of the total synchronized trades by Group I entities had taken place within five seconds. I also find that the 33 Group-I entities had indulged in large number of structured trades for 11,95,610 shares in 9925 trades in 216 trading days which accounted for 9.60% of the total traded market volume in the scrip of RIL. 61.08% of the structured trades were entered into with 20 seconds.

155. In this regard, I note that the Noticees Nithin Chadha and Ishan Chadha have contended that they were induced by Mr. Anjani and Rajeev Gupta who assured them with higher profits by trading in the scrip of RIL and submitted that they cannot be held liable for the aforesaid trades. I do not find merit in the aforesaid submission of the Noticees. Admittedly they were connected with the Noticee, Almondz Entertainment Limited but have dispute their connection with other Group entities. I note that the Noticees by trading even on the advise of a third party were expected to be fully aware of the nature of trades when the same were in such high volume and the trades being carried out with an intention of accruing profits cannot be disowned on the pretext of being induced in the aftermath. Similar submission has also been made before me by Mr. Rajiv Gupta and Monica Gupta who have submitted that Mr. Anjani had taken care of their trading accounts promising a higher profits and hence they pleaded ignorance of the fraudulent trades as alleged in the instant case. When the said Noticees have involved in the trades of such a high volume as in the instant case, I am of the opinion that they ought to have been fully aware of the details of the trades that were being carried

out on their account and I am not inclined to accept the submission of the Noticees pleading innocence to the trading activities as alleged in the instant case.

156. Further, it is also the submission of Nithin Chadha and Ishan Chadha that there was a difference in buy order rate and the sell order rate in the alleged structured trade. In this regard, I have perused the annexure 23 to the SCN whereby the tradelog and order with respect to the structured trades of Group II are provided. From the same, I note that there have been several trades that have been carried out between the connected Group II entities where the orders have been placed at the same rate and within a gap of 20 seconds to one minute. While I note that the order quantity of the two parties has differed, yet the consistent pattern of trades with time price matching between the connected entities comprising of a significant volume cannot be accepted as mere coincidence as contended by some of the Noticees.
157. Further, I also take into consideration the submission of Shatanand and sons HUF whereby it has been stated that only one trade of them comprising of 500 shares had resulted in synchronised trade. Considering the lesser volume of the said trade, I am of the opinion that a benefit of doubt can be provided to the said entity and thus I find no adverse inference with respect to the allegation of carrying out synchronized trades against it.
158. Further, I also find that Dhvani D Kothari had carried out trade on only one day in the investigation period whereby she sold 10000 shares and Darshan Kothari had sold 50000 shares, However, considering that the said shares were admittedly bought in off market from the Group entity Bahar Paper Pvt Ltd, I am of the opinion that the said Noticees allowed themselves to be a part of the fraudulent trades as in the instant case.
159. The counsel on behalf of the aforesaid Noticees has submitted a copy of the SEBI Order dated December 24, 2019 in the matter of M/s Richa Industries Limited. Citing the aforesaid SEBI Order, the Noticees contended that on identical facts, the Noticees therein were exonerated and therefore the Noticees in the instant case are also need to be treated on the same lines. I note from facts of cases that there are 60 entities who are connected to each other and have indulged in circular trading,

synchronized trading etc who have carried out manipulative trades in the scrip of RIL. Out of the same, 25 entities are before me as they were remitted back from SAT. I am of the considered view that dealing of all connected entities in a group have to be seen together to have holistic picture especially in case of manipulation where large number of entities act in concert. I note that there has been no observation so as to say that the trades were not of manipulative nature. While I agree that proportion of their dealing are similar to that of the SEBI Order dated December 24, 2019, I am not inclined to segregate the dealings of the individual Noticee from that of the cumulative contribution of the Group he/she is associated with. I am of the opinion that it is necessary to examine dealing in entirety.

160. I further find that three Group I entities which included the Noticee Mastermind Traxim P. Ltd along with Markup Trading P. Ltd and Gamut Exports P. Ltd, all three connected to RIL, had transferred 4,49,900 shares of RIL through off-market transfers to certain entities from the 35 group entities on several occasions. From the material available on record, I find that the shares received in off market by the Group I entities were sold back through on market either to the same entities who transferred shares in off market or to other Group-I entities. On examination of the circular trades, I find that the said circular transactions were such that one leg of the transaction was in off market and other leg of transaction was in on market. The Noticees in the instant matter Kamallesh Shantilal Jain, Vijay Kapoor and Ajay Kumar Kapoor HUF along with Leena Batra, Ajay Kumar Kapoor, Vandana Singh, Umesh Chand Jain, Umesh Chan Jain HUF and Sarita Gupta had received shares in off market from the connected entities and sold these shares back to the same connected entities or other connected entities in on-market. The entities who made off market transfers, inter alia, included the Noticees Atul Tomar, Man mohan Singh Dua etc along with Abhi Capital Services Ltd., Narendra Kumar, Sheoshankar Dubey, Rajan Shrivastava, Danesh Pandit, etc. The detailed analysis of the off market and on market transfers in para 31 above clearly show the manipulative intent of the connected entities and the fraudulent way of trading in the scrip of RIL by entering into circular trades through off market and on market transfers just to create artificial volumes in the said scrip.

161. I find that, in addition to entering into synchronized and circular trades, the Group I entities had also indulged in self trades. Out of the 264 trading days, few Group I entities as mentioned in para 38 above, which included two Noticees viz, Sumu Consultancy Private Ltd and Atul Tomar had entered into 283 self trades on 150 trading days for a total of 84723 shares thereby contributing positively to the LTP by ₹ 38.75. Out of the same, two Noticees viz, Sumu Consultancy Private Ltd and Atul Tomar of Group I had entered into 26 self self trades on 12 trading days thereby contributing positively to the LTP by ₹ 1.1
162. Further upon analysis of the NHP contribuion by the Group I entities, I find that during the relevant period, the said group entities which include Noticees Atul Tomar and Sumu Consultancy Pvt. Ltd along with Vinay Jain, Rajan Shrivastava, Danesh Pandit, , Narendra Kumar and Sheoshankar Dubey had not only indulged in circular, synchronized and reversal trades but had also contributed 30% (i.e. ₹ 30.6) of NHP of the total NHP of ₹100.7. Also, I find that by executing trades in the scrip of RIL, the Group-I entities on gross basis had contributed to a price increase of ₹1864.8 during the relevant period, which is 42.02% of the total market wide positive LTP variation of ₹ 4437.95. Similarly, on analyzing the trades where Group-I entities had on gross basis sold at a lower price than the LTP variation, I find that Group-I entities had contributed to a negative LTP variation of ₹ 920.5, which is 21% of total market wide negative LTP variation of ₹ 4384.35.
163. I further note at this juncture that 3 Noticees of Group I i.e. Manamohan Singh Dua, Ajit Singh Dua and Dynamic Dynamic Global Propfanchises Private Limited have submitted before me that they opened the trading accounts with the broker Choamandalam Securities on the behest and pursuation of the marketing personal of Cholamandalam and that all on-market or off market in the scrip of RIL carried out in the account of the Noticee was without the instruction/consent of the Noticee. Further that they had raised the complaint before the Borker vide their letter dated January 27, 2010 regarding the same.
164. In response to the above, Cholamandalam has produced vide its letter dated March 4, 2015, the arbitration awards passed against Ajit Singh Dua and Dynamic Dynamic Global Propfanchises Private Limited and subsequently before me has

produced 2 documents vide its letter dated March 16, 2020 i.e. the contract notes along with a copy of the email dated January 12, 2010 by Manmohan Singh Dua to Cholamandalam. I have perused the documents. As recorded by the Arbitrator in the Arbitration proceedings Ref No. 89/2010 against Ajit Singh Dua, the said Noticee had bought 6500 shares of RIL at Rs. 137.28 to the value of Rs. 8,92,36.22 on December 22, 2009 and that he had a margin of Rs. 3, 74, 456/-. Further, that the said client could sell only 2294 shares out of the 6500 shares as the stock of RIL hit downside freeze in the market opening which resulted in a net due of Rs. 592,219.52 in the account of the client. Further, it is stated that the client failed to pay the said dues in support of which the copy of the email as aforesaid has been produced. It was stated that as per the stock broker - client agreement, Cholamandalam sold 6831 shares to realize a net value of Rs. 3,71,729.60 on 14.1.2010, 15.1.2010, 22.1.2010, 27.1.2010 and 29.1.2010. It was recorded by the Arbitrator that the Mr. Ajit Singh Dua in spite of being present throughout the proceeding did not make any submissions and taking into consideration of all the facts the arbitration award was made in favour of Cholamandalam for the recovery of the dues. I note that similar arbitration award was also passed against Dynamic Global Propfranchises in the Arbitration Proceedings Ref No. 92/2010 dated 08.09.2010.

165. I have perused all the above, I note that vide email dated January 8, 2010, Cholamandalam requesting for the payment of the dues had also sent the "*desired information on trading in Richa Industries*" with respect to the 3 Noticees i.e. Manmohan Singh Dua, Ajit Singh Dua and Dynamic Global Propfranchises Private Limited. Mr. Manmohan Singh Dua in reply to the said mail had acknowledged the debit in the account of Dynamic Global (12CD01) and Ajit Singh Dua (12A406) and sought further time to make payment stating that he was short on liquidity and authorized Cholamandalam to sell the shares of RIL to settle the debit. I note that, it is on account of the authorization vide the aforesaid email that Cholamandalam had sold shares from January 14, 2010 till January 29, 2010 to a tune of 6831 shares. In light of the same, I find no merit in the submission of Ajit Singh Dua, Manmohan Singh Dua and Dynamic Global that the trade in their accounts had been carried out by Cholamandalma without their authorization and keeping them in dark. I note

that while the said 3 Notices themselves had admitted the dues because of shares purchased by them and had received the details of their trading authorized the selling of shares had further on January 27, 2010 have claimed to have complained to Cholamandalam regarding unauthorised trades from their account which I do not find justifiable in the aforesaid facts. Therefore, I note that the 3 Noticees Manamohan Singh Dua, Ajit Singh Dua and Dynamic Global Propfranchises Private Limited themselves are accountable for all the off market trades and on market trades constituting the circular, synchronized trades in the instant case.

166. I further note the submissions of a few of the Noticees that their individual contribution to the LTP and NHP is negligible and hence would not have materially affected the price of the scrip. In this regard, I note that the fact that the Group entities are noted to be connected to each other, it is not the individual contribution but the contribution of the entire group that is to be seen to assess the impact caused on the price of the scrip. Accordingly, I note that the net impact of the trading of Group-I entities clearly showed that the said group entities were exerting upward pressure on the price as a buyer, with their net LTP variation of ₹ 944.25 as against the market wide net LTP variation of ₹ 53.60. Upon analysis of first trades carried out by the Group I entities, I find that on 177 instances, Group-I entities had set positive LTP variation (with respect to previous days' close). Out of 264 trading days, I find that Group-I entities had executed 177 first trades (67.04% of total trading days) and created positive LTP variation on 140 first trades (53.03% of total trading days). These trades clearly indicate that Group-I entities had attempted to create an upward trend in the price on those days through First Trade. In view of the same, I conclude that the Noticees belonging to Group I entities by entering into trades in the scrip of RIL had impacted the price of the scrip significantly and thereby violated the provisions of the PFUTP Regulations.

167. I also find that during the the second investigation period, the Group II entities which included the Noticees Rama Rani, Govardhan Lal, Nitin Chadha, Almondz Entertainment Private Limited, Ishan Chadha, Rajeev / Rajiv Gupta and Monika Gupta had traded significantly in the scrip of RIL. The scrip was traded for 81 days during which 80,22,153 shares were traded in 26,107 trades from 14,270 orders on buy side / 14,993 orders on sell side. Out of the said trading days, the Group-II

entities had traded on 54 days and bought 26,34,934 shares (32.85% of the total traded volume) in 9,820 trades from 4,285 orders and had sold 26,17,717 shares (32.63% of the total traded volume) in 9084 trades from 5442 orders on gross basis. Upon perusal of the trade log analysis, I find that the Group-II entities had indulged in 6,877 circular trades by buying and selling of 20,13,073 shares of RIL amongst themselves through 3004 buy orders and 4367 sell orders in 54 trading days. It is implied from the said circular trades that there was no transfer of beneficial ownership of shares but the shares were circulated among the group entities which resulted in creation of artificial volume and price rise. The said circular trades entered into by the Group-II entities had constituted significantly to the total traded volume in the scrip and on some days it was as high as more than 60%. On perusal of the table as depicted in para 54 above, I find that during the relevant period the Group II entities had traded heavily in the scrip of RIL thereby, contributing majorly on 10 trading days. For example: (a) On September 08, 2009 - Group II entities traded for 62705 shares while the total market volume traded on the said date was 99244, thereby, contributing 63.18% of the market volume, (b) Again on October 30, 2009 - Group II entities traded for 96500 shares while the total market volume traded on the said date was 154169, thereby, contributing 62.59% of the market volume, (c) on November 13, 2009 - Group II entities traded for 81416 shares while the total market volume traded on the said date was 182719, thereby, contributing 44.56% of the market volume. The said fact clearly shows that the scrip of RIL was not that heavily traded during the said period and the Group II entities by trading among themselves in manipulative ways had contributed significantly to the market volumes. Upon analysis of the day wise circular trade data of Group-II entities, I find that out of 54 trading days, there were 07 days when the contribution of the circular trades entered into by these entities to the total market volume was more than 50%. Further, on 24 days the contribution of circular trades entered into by these entities to the total market volume was more than 30%. I note that if the volume generated by the circular trades indulged into by the Group II entities was excluded, then on several days the scrip would have been traded very thinly. I find from the entity wise gross volume to the circular trades analysis that on an average more than 75% of the gross volume traded by the Group-II entities were circulated within the group entities.

The said circular trades which were entered into by the Group II entities also included several reverse/ Synchronised and self trades. I find that several reversal trades were also executed across various days instead on the same day. 18 Group II entities viz. First Call Consultancy Services P.Ltd, Rama Rani, Robart, Govardhan Lal, Rajiv Gupta, Govindji Gupta, Gaurav Gupta, Almondz Entertainment P. Ltd, Naresh Gupta, Sandeep Kumar Gupta, Anjani, Global Wealth, Punit Kapoor, Sudheshwar Kumar Gupta, Ishan Chadha, Doctor Saurabh Gupta, Sarika Gupta and Nitin Chadha, had executed reverse trades in the scrip of RIL which had contributed significantly to the market volume.

168. I further find that the said circular trades were also in the nature of synchronized trades i.e. the difference between buy order time and sell order time was less than 60 seconds. During the relevant period, I find that 13 Group-II entities had executed 13 synchronized trades through 13 orders resulting in a volume of 17,410 shares. Further, the circular trades entered into by the Group II entities also included numerous structured trades. I find that there were 620 structured trades from the circular trades aggregating to 2,58,185 shares which were executed by the Group II entities thereby manipulating the scrip of RIL. I note that 60.74% of the total structured traded quantity executed by the Group-II entities happened within 40 seconds.

169. I further note that three Noticees of Group-II entities viz., Govardhan Lal, Rajeev Gupta and Rama Rani, in addition to synchronized and circular trades, had also indulged in self trades. I find that the said entities had executed 39 self trades of 7 trading days. However, I note that the self trades by Rajeev Gupta and Rama Rani were in only 1 and 2 instances respectively and had not contributed anything to LTP. However, Mr. Govardhan Lal alone had carried out 36 self trades on 5 days including a volume of 10,585 shares thereby contributed positively to the LTP by 0.35%. I, therefore, conclude that by executing the said self trades, Mr. Govardhan Lal not only contributed to the artificial volumes in the scrip of RIL but also to the price of the said scrip.

170. Upon analysis of LTP variation during the second investigation period as mentioned in para 63 and 64 above, I find that out of 6877 trades of Group-II entities, there was no change in LTP contribution in 6261 trades. However, the positive LTP contribution by entities during this period was of ₹78.3. The Group-II entities on gross basis has contributed to a price increase of ₹239.10 during the second investigation period, which is 8.81% of the total market wide positive LTP variation of ₹ 2714.90 for the said period. Similarly, on analyzing the trades wherein Group-II entities had on gross basis sold at a lower price than the LTP variation, I find that Group-II entities had contributed to a negative LTP variation of ₹ 234.4, which is 8.71% of total market wide negative LTP variation of ₹ 2691.90. Therefore, I find from the material available on record that six Group II entities which included the Noticees viz. Rama Rani, Nitin Chadha and Govardhan Lal along with Govindji Gupta, Firstcall Consultancy Services Pvt. Ltd, Eminence Capital Services / Naresh Gupta, had contributed to the net positive LTP variation of ₹ 78.30 and contributed to price rise during the said period. Further, upon analysis of the First Trade carried out by the Group II entities I find that seven Group-II entities viz. Firstcall Consultancy Services Pvt. Ltd, Govindji Gupta, Global Wealth Creators, Eminence Capital Services / Naresh Gupta, Nitin Chadha, Rama Rani and Rajeev Gupta had set positive LTP variation (with respect to previous days' close) on 15 instances. Positive cumulative LTP variation in First Trades by Grp- II entity on the 15 occasions was ₹ 26.70/- and percentage of Positive cumulative LTP variation of First Trades of Group- II (entitywise) w.r.t. Market wide Positive LTP on First Trades in second investigation period (₹ 129.60) was 20.60%. In view of the same, I conclude that the said Group II entities by entering into trades in the scrip of RIL had impacted the price of the scrip significantly and thereby, violated the provisions of the PFUTP Regulations.

171. In view of the above, I do not find any merit in the contentions of the Noticees i.e. Group I and Group II entities that they had entered into trades individually and that the circular/ synchronized / reverse trades indulged into by the Noticees were merely a coincidence and were negligible in volume when compared to the total volumes traded in the scrip of RIL. I find that the manipulative trading practices indulged into by the Noticees cannot be viewed independently and have to be

viewed collectively as the overall impact of the said manipulative trades entered into by the Group I and Group II entities on the market in the scrip of RIL was quite significant during both the investigation periods. Further, I also find that such pattern of trading cannot be executed without prior meeting of minds and prior understanding between the said Noticees. Therefore, I conclude that the said Group entities were connected to each other in such a way that they, by adopting a modus operandi, had impacted the volumes and the price in the scrip of RIL and disturbed the market equilibrium.

172. I further find that the trading member viz. DBS Cholamandalam Securities Ltd. had dealt for three clients i.e. Dynamic Global Propfranchises Ltd., Man Mohan Singh Dua and Ajit Singh Dua in the scrip of RIL who were related to each other. While trading for the said clients, I find that DBS Cholamandalam Securities Ltd had entered for 102 trades for 2,70,573 shares which were circular/reversal trades as well as cross deals resulting in creation of artificial volume and price rise. Further, these trades were executed from same location ID i.e. the Location ID for client and Location ID for counter party client was same i.e. '1100050001003001'. I find that the said execution of trades resulted in cross deal which is a trade where the buyer client and seller client trade through the same broker. Further, some of these trades (i.e. 38 trades resulting in 1,38,965 shares) were synchronized trades wherein the time gap between buy order and sell order was less than 59 seconds. Further, there was no difference between buy order rate and sell order rate as well as buy order quantity and sell order quantity. Also, 33 trades for 36,930 shares were structured trades wherein the time gap between buy order and sell order was less than 59 seconds. There was no difference in buy order rate and sell order rate. I note that the said clients, while trading through the broker in the scrip of RIL, had made a cumulative positive LTP variation of ₹12.25.

173. On perusal of the aforesaid trades, I note that all the said trades are carried out between Manamohan Singh Dua, Ajit Singh Dua and Dynamic Global Propfranchises Private Limited, admittedly the connected entities. The trades have been carried out on 27 days in the months from August to December 2009. Further, I also note that trades were reversed between the same pair of Noticees on subsequent days.

From the submission, the Noticee has submitted that they were allowed it on the open market as per the Circular dated September 14, 1999 as they understood it to be a negotiated deal. However, no proof of such trades being negotiated deal based on which they had permitted in compliance of the Circular is produced before me. I am of the view that purpose of the Circular is to facilitate that off market deals between non-connected entities in substantial quantity which are executed at negotiated price is factored into price discovery on the market. In this case, such several trades which have been claimed as negotiated deals are between the connected entities which were reversed within a few days on a consistent basis which were further structured and executed at the same location. Further, as submitted if the purpose is to ensure transparency and enable adjustment of oif balances, while transferrfin shares from one account to another account of the connected entities groupo, the same could have been effected through off-market transfers. In this case, I also note that claimed negotiated price itself was the market price. Futher, the submission of the broker stating that the LTP at which the trades were effected were not substantially different from the market price itself would contradict its submission that it believed the trades were negotiated deal in terms of the Circular and hence were allowed on market. It is also pertinent to note that negotiated, crossed deals are already been banned by SEBI.

174. Further, from the nature oif trades esxecuted bvy the broker, the beneficial ownership has not changed between the clients yet created columes in the exchange to that extend suggestiung non-genuinity of such trades. The question before me is whether the Broker had aided and abetted the client with regard to the same. While as noted above, the trades in siugnificant volme in the scrip of RIL was carried
175. However I also consider the submission of the Noticee that the broker had genuinely believed that the fraudulent trades were negotiated as per the Circular date September 14, 1999 and allowed them to be executed in open market. From the same I am inclined to give benefit of doubt with respect to the charge of aiding and abetting Ajit Singh Dua, Manmohan Singh Dua and Dynamic Global. However, the broker being an intermediary assuming greater significance in facilitating trades in the market was duty bound to exercise due diligence in facilitating such trades especially when carried out repeatedly on several days between the entities

whom the Broker was aware to be connected. Furthermore, I also do not agree that it did not suspect any scope for the trades to be manipulative and fraudulent claiming that there was no alert from the exchanges. The very nature of trades was ought to have alarmed the broker had a reasonable diligence been displayed by it at the time of executing aforesaid trades. Therefore, I note that the broker Cholamandalam Securities have violated the provisions of Regulation 7 of Stock Brokers Regulations, 1992 read with Clause A of Code of Conduct prescribed in Schedule II of the said Regulations

176. In addition to the above, I find that three entities namely, Gamut Exports Ltd, Mastermind Traxim Pvt. Ltd. and Markup Trading Pvt. Ltd. had transferred shares in off market to the Group entities and thereby had facilitated them to indulge in manipulative trades in the scrip of RIL. I find from para 43 and 44 above that during the investigation period, to analyse the said off market transfers, summons were issued to Mastermind Traxim Pvt. Ltd seeking certain information about the off market transfers and consideration, if any, received. However, I note that the Noticee did not reply to the said summons. Also, I find that Markup Trading Pvt. Ltd had transferred shares of RIL to two entities namely, Dynamic Global Propfranchises Ltd. and Atul Tomar. Therefore, to analyse the said off market transfers, summons were issued to Markup Trading Pvt. Ltd, Dynamic Global Propfranchises Ltd. and Atul Tomar seeking information with respect to consideration received/ paid for the said transfers. However, I find that the summons were received by Atul Tomar and further the said entity had even sought time to file the reply to the same but no reply was received by SEBI. Therefore, with respect to two entities viz. Atul Tomar and Mastermind Traxim Pvt. Ltd, I conclude that they had failed to comply with the summons issued to them during the investigation period thereby, hampering the investigation process which was in violation of Section 11C(2) and 11C(3) of the SEBI Act, 1992.

177. From the foregoing paragraphs and the after considering the material available on record, I conclude that –

(i) Shri Atul Tomar by indulging in various manipulative trades such as circular / reverse / structured / synchronised along with the Group I entities, by executing

off and on market transactions, by entering into self trades had created artificial volumes in the scrip of RIL and further by positively contributing to the NHP and LTP of the said scrip had manipulated the price of the said scrip thereby violating the provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulation 3(a), (b), (c), (d), 4(1), 4(2) (a), (b), (e) & (g) of the PFUTP Regulations. Also, by not complying with the summons issued by Investigating Authority, Shri Atul Tomar has additionally violated the provisions of Section 11(C)(2) and 11(C)(3) of the SEBI Act, 1992. The said violations make him liable for monetary penalty as prescribed under Section 15A(a) and 15HA of the SEBI Act, 1992.

(ii) Mastermind Traxim Pvt. Ltd by transferring shares in off market to the entities belonging to Group I and facilitating them in executing circular trades in the scrip of RIL had created artificial volumes in the scrip of RIL thereby violating the provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulation 3(a), (b), (c), (d), 4(1), 4(2) (a), (b), (d), (e) & (g) of the PFUTP Regulations thereby making the said entities liable for monetary penalty as prescribed under Section 15HA of the SEBI Act. Also, by not complying with the summons, Mastermind Traxim Pvt. Ltd has additionally violated the provisions of Section 11(C)(2) and 11(C) (3) of the SEBI Act, 1992. The said violation, in addition to the above, makes Mastermind Traxim Pvt. Ltd liable for monetary penalty as prescribed under Section 15A(a) of the SEBI Act, 1992.

(iii) Sumu Consultancy Pvt. Ltd, SMVD Financial Consultants, Jewel Garments Pvt. Ltd, Rama Rani, Shri Govardhan Lal and Shri Nitin Chadha by indulging in various manipulative and fraudulent trades and by executing off and on market transactions in the scrip of RIL had created artificial volumes and manipulated the price of the said scrip. By positively contributing to the NHP and LTP (by executing first trades) of the said scrip had further manipulated the price of the said scrip. Therefore, the said entities have violated the provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulation 3(a), (b), (c), (d), 4(1), 4(2) (a), (b), (e) & (g) of the PFUTP Regulations thereby liable for monetary penalty under Section 15HA of the SEBI Act, 1992.

(iv) Dynamic Global Propfranchises Private Limited, Ajit Singh Dua, Man Mohan Singh Dua, Ajay Kumar Kapoor HUF, Kamalesh Shantilalji Jain, Shatanand Sharma Sons HUF, Sunvision Infotech Pvt.Ltd., Vijay Kapoor, Brijesh Sharma, D.D.Kothari, Darshan J. Kothari, SMVD Securities Private Ltd., Almondz Entertainment Private Limited, Ishan Chadha, Rajeev / Rajiv Gupta and Monika Gupta by indulging in various manipulative and fraudulent trades in the scrip of RIL and by executing off and on market transactions had created artificial volumes thereby violating the provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulation 3(a), (b), (c), (d), 4(1), 4(2) (a) & (g) of the PFUTP Regulations thus liable for monetary penalty under Section 15HA of the SEBI Act, 1992.

(v) DBS Cholamandalam Securities Ltd (now known as Cholamandalam Securities Ltd) by failing to exercise due diligence violated the provisions of Clause A of the code of conduct for stock brokers as prescribed under Schedule II of the Broker Regulations read with Regulation 7 of the said Regulations thereby making them liable for monetary penalty as prescribed under Section 15HB of the SEBI Act, 1992.

178. Here, it is important to refer to the observations of the Hon'ble Supreme Court of India in the matter of SEBI v. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) wherein, the Hon'ble Court, *inter alia*, held: "*In our considered opinion, penalty is attracted as soon as the contravention of statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant....*"

179. Section 15A(a), 15HA and 15HB of the SEBI Act read as under:

***Penalty for failure to furnish information, return, etc. -***

***15A. If any person, who is required under this Act or any rules or regulations made thereunder,-***

***(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;***

***Penalty for fraudulent and unfair trade practices.***

***15HA.*** If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

***Penalty for contravention where no separate penalty has been provided.***

***15HB.*** Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.

180. While determining the quantum of penalty under Section 15A(a), 15HA and 15 HB of the SEBI Act, it is important to consider the factors stipulated in Section 15J of Act, which reads as under:

***15J - Factors to be taken into account by the adjudicating officer:***

*While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.*

181. I observe, from the material available on record, that it is not possible to quantify, any gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the defaults of the Noticees. However, I find that the defaults are repetitive in nature. Further, the Noticees have traded in the scrip in a manner meant to create artificial volumes and liquidity which are important criterions capable of misleading the investors. In fact, liquidity/volumes in a particular scrip raise the issue of 'demand' in the securities market. The greater the liquidity, the higher the investors' attraction towards investing in that scrip. Hence, any investor could have been carried away by the unusual fluctuations in the volumes and induced into investing in the said scrip. Besides, this kind of activity seriously affects the normal price discovery mechanism on the stock exchange platform. People who indulge in manipulative, fraudulent and deceptive transactions should be suitably penalized for the said acts of omissions and commissions.

182. For the purpose of imposition of penalty, I have considered the contribution of artificial volumes as well as the extent of involvement of the Noticees in the fraudulent trades as discussed above. I have also taken consideration the lapse in time since the period of investigation in the quantum of penalty to be imposed.

### ORDER

183. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under section 15-I (2) of the SEBI Act read with Rule 5 of the said Rules, I hereby impose the following monetary penalties on the Noticees:

S.No	Names of the Noticees	Penal provisions as per the SEBI Act	Penalty Amount In (₹)
1.	Mr.Atul Tomar	Section 15A(a)	200000 (Rs. Two Lakhs)
		Section 15 HA	500000 (Rs. Five Lakhs)
2.	Mastermind Traxim Pvt.Ltd.	Section 15A(a)	200000 (Rs. Two Lakhs)
		Section 15 HA	400000 (Rs. Four Lakhs)
3.	Sumu Consultancy Private Limited	Section 15 HA	500000 (Rs. Five Lakhs)
4.	SMVD Financial Consultants	Section 15 HA	400000 (Rs. Four Lakhs)
5.	Jewel Garments Private Limited	Section 15 HA	300000 (Rs. Three Lakhs)
6.	Rama Rani	Section 15 HA	400000 (Rs. Four Lakhs)
7.	Mr.Govardhan Lal	Section 15 HA	400000 (Rs. Four Lakhs)
8.	Mr.Nitin Chadha	Section 15 HA	400000 (Rs. Four Lakhs)
9.	Dynamic Global Propfranchises Private Limited	Section 15 HA	400000 (Rs. Four Lakhs)
10	Ajit Singh Dua	Section 15 HA	400000 (Rs. Four Lakhs)
11	Man Mohan Singh Dua	Section 15 HA	400000 (Rs. Four Lakhs)
12	Ajay Kumar Kapoor HUF	Section 15 HA	300000 (Rs. Three Lakhs)
13	Kamalesh Shantilalji Jain	Section 15 HA	300000 (Rs. Three Lakhs)
14	Shatanand Sharma Sons HUF	Section 15 HA	100000 (Rs. One Lakh)

15	Sunvision Infotech Pvt.Ltd.	Section 15 HA	300000 (Rs. Three Lakhs)
16	Vijay Kapoor	Section 15 HA	300000 (Rs. Three Lakhs)
17	Brijesh Sharma	Section 15 HA	100000 (Rs. One Lakh)
18	D.D.Kothari	Section 15 HA	100000 (Rs. One Lakh)
19	Darshan J.Kothari	Section 15 HA	200000 (Rs. Two Lakhs)
20	SMVD Securities Private Ltd.	Section 15 HA	200000 (Rs. Two Lakhs)
21	Almondz Entertainment Private Limited	Section 15 HA	300000 (Rs. Three Lakhs)
22	Ishan Chadha	Section 15 HA	200000(Rs. Two Lakhs)
23	Rajeev / Rajiv Gupta	Section 15 HA	300000 (Rs. Three Lakhs)
24	Monika Gupta	Section 15 HA	100000 (Rs. One Lakh)
25	DBS Cholamandalam Securities Limited (now known as Cholamandalam Securities Limited)-	Section 15HB	200000 (Rs. Two Lakhs)
<b>TOTAL</b>			79,00,000/- (Rupees Seventy Nine Lakhs only)

184. In my view the penalties imposed on the Noticees are commensurate with the defaults committed by them.

185. The aforementioned entities shall remit / pay the said amount of penalty within 45 days from May 3, 2020 or service of this Order, whichever is later, either by way of Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link.

**ENFORCEMENT → Orders → Orders of AO → PAY NOW**

186. The aforementioned entities shall forward said Demand Draft or the details / confirmation of penalty so paid to the "The Division Chief, Division of Regulatory Action-III, Enforcement Department (EFD1 – DRA III), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C –4 A, "G" Block, Bandra Kurla Complex, Bandra (E),

Mumbai –400 051”. They shall provide the following details while forwarding DD/ payment information:

- a) Name and PAN of the entity
- b) Name of the case / matter
- c) Purpose of Payment – Payment of penalty under AO proceedings
- d) Bank Name and Account Number
- e) Transaction Number

187. In the event of failure to pay the said amount of penalty within the timelines as mentioned in Para 185 above, recovery proceedings may be initiated under Section 28A of the Securities and Exchange Board of India Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

188. In terms of rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, copies of this order are hereby being sent to the Noticees and also to Securities and Exchange Board of India.

**Date: April 30, 2020**  
**Place: Mumbai**

**B J Dilip**  
**Adjudicating Officer**