

**UNDER SECTION 15-I (2) 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 -

1. **Bharat Jayantilal Patel (PAN AAAPP6652R)** having address at 3-3a, Churchgate House, 32/34, Veer Nariman Rod, Fort, Mumbai – 400001
2. **Minal Bharat Patel (PAN AACPP5126G)** having address at 2-a, Divya Darshan, JVPD Scheme, NS Road, No.5, Juhu Scheme, Vile Parle (West), Mumbai – 400056
3. **Hardik Bharat Patel (PAN AHIPP1407H)** having address at 2-a, Divya Darshan, JVPD Scheme, NS Road, No.5, Juhu Scheme, Vile Parle (West), Mumbai – 400056
4. **Ruchit Bharat Patel (PAN ANDPP9202F)** having address at 2-a, Divya Darshan, JVPD Scheme, NS Road, No.5, Juhu Scheme, Vile Parle (West), Mumbai – 400056
5. **Acira Consultancy Pvt. Ltd. (PAN AAICA94989N)** having address at 33, Ocean Crest, 85 Warden Road, Mumbai - 400036, HS Datta Patil, Chawl No. 24, Tilshit Pada, Mumbai – 400078 and Flat No. 511/C, 6th Floor, Sunshine CHS Ltd., Off Chandivali Farm Raheja Vihar, Andheri (East) Mumbai – 400072
6. **Gandiv Investment Pvt. Ltd. (PAN AACCG3017C)** having address at 3-3a, Churchgate House, 32/34, Veer Nariman Rod, Fort, Mumbai – 400001
7. **Pat Financial Consultants Pvt. Ltd. (PAN AACCP3115E)** having address at 3-3a, Churchgate House, 32/34, Veer Nariman Road, Fort, Mumbai – 400001

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8. **Hridaynath Consultancy Pvt. Ltd. (PAN AACCH52585R)** having address at 103, Thackers Apartment, Juhu Lane, Andheri West, Mumbai – 400058, B 906, 9h Floor, New Sarvottam CHS, Irla Bridge, Andheri West, Mumbai – 400058, and 3/4, Shankar Smruti Chawl, Shivaji Nagar, Tembhi Pada Road, Mumbai – 400078
9. **Fidelity Multitrade Pvt. Ltd. (PAN AABCF0017A)** having address at 3-3a, Churchgate House, 32/34, Veer Nariman Road, Fort, Mumbai – 400001
10. **Pasha Finance Pvt. Ltd. (PAN AAACP8316P)** having address at 3-3a, Churchgate House, 32/34, Veer Nariman Road, Fort, Mumbai – 400001
11. **Moneybee Realty Pvt. Ltd. (PAN AAFCM3690Q)** having address at 212, Veena Chambers, 21, Dalal Street, Fort, Mumbai – 400001 and Unit No. 303, Tower A, Peninsula Business Park, GK Marg, Lower Parel, Mumbai – 400013
12. **Prashant Jayantilal Patel (PAN AABPP2156M)** having address at C/21-28, Gokul Arcade , SN Road, Vile Parle (E), Mumbai – 400057
13. **Superior Financial Services Consultancy Pvt. Ltd. (PAN AACCS2302J)** having address at 201, Dev Neo Vikram, B Wing, Sahakar Nagar CHS, New Link Road, Andheri (West), Mumbai – 400053
14. **Finquest Securities Ltd. (PAN AABCB7028F)** having address at 602, Boston House, Suren Road, next to Cinemax, Andheri East, Mumbai – 400093 and 3-3a, Churchgate House, 32/34, Veer Nariman Road, Fort, Mumbai - 400001

In the matter of Super Sales India Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) initiated adjudication proceedings against Bharat Jayantilal Patel (“**Noticee 1**”), Minal Bharat Patel (“**Noticee 2**”), Hardik Bharat Patel (“**Noticee 3**”), Ruchit Bharat Patel (“**Noticee 4**”), Acira Consultancy Pvt. Ltd. (“**Noticee 5**”), Gandiv Investment Pvt. Ltd. (“**Noticee 6**”), Pat Financial Consultants Pvt. Ltd. (“**Noticee 7**”), Hridaynath Consultancy Pvt. Ltd. (“**Noticee 8**”), Fidelity Multitrade Pvt. Ltd. (“**Noticee 9**”),

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Pasha Finance Pvt. Ltd. ("**Noticee 10**"), Moneybee Realty Pvt. Ltd. ("**Noticee 11**"), Prashant Jayantilal Patel ("**Noticee 12**"), Superior Financial Services Consultancy Pvt. Ltd. ("**Noticee 13**"), Finquest Securities Pvt. Ltd. ("**Noticee No. 14**") (hereinafter together referred to as "**the Noticees**") as follows –

- (a) Under Sections 15 HA of the SEBI Act, 1992 ("**SEBI Act**") for alleged violation of Section 12A (a), (b) and (c) of the SEBI Act, and Regulations 3 (a), (b), (c) & (d), 4 (1) and 4(2) (a) & (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as the "**PFUTP Regulations**") by Noticees 1 to 11
 - (b) Under Section 15A (b) of the SEBI Act for alleged violation of Regulations 13 (1) and 13 (3) read with 13 (5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("**PIT Regulations 1992**") by Noticee Nos.1, 2, 3, 8 and 12.
 - (c) Under Section 15A(b) of the SEBI Act for alleged violation of Regulations 29 (1) and 29 (2) read with 29 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1992 ("**SAST Regulations 2011**") by Noticee Nos.1, 2, 3, 4, 7, 8, 9, 10, 12 and 13.
 - (d) Under Section 15HA and 15HB of the SEBI Act for alleged violation of Section 12A (a), (b) and (c) of the SEBI Act, and Regulations 3 (a), (b), (c) & (d), 4 (1) and 4(2) (a) & (g) of the PFUTP Regulations and of Clause A (2) of the Code of Conduct for Stock Brokers as specified under Schedule II read with Regulations 7 and 9 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992, by Noticee 14.
2. Adjudication proceedings in respect of the Noticees were initiated pursuant to investigation into the trading of **Super Sales India Ltd.** (hereinafter referred to as "**SSIL**" or "**the company**").

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO**") under Section 15-I of the SEBI Act, 1992 ("**SEBI Act**") read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter be referred to as the

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“**Adjudication Rules**”), vide order dated July 17, 2019, to inquire into, and adjudge under Section 15HA and Section 15HB of the SEBI Act the aforesaid alleged violations.

4. The appointment of the undersigned as AO was communicated vide order dated August 8, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Show Cause Notice No. EAD5/MC/VS/2020/10602 dated May 18, 2020 (hereinafter referred to as “**SCN**”) was issued to the Noticees, in terms of Rule 4 (1) of the Adjudication Rules read with Section 15-I of the SEBI Act, to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Sections 15HA and 15A (b) of the SEBI Act for the aforesaid alleged violations.
6. The allegations levelled against the Noticees in the SCN are summarized as follows:-
7. SEBI had conducted investigation into the trading activities of the Bharat Patel Group entities in the scrip of SSIL during the period between December 15, 2011 to October 09, 2014 (hereinafter referred to as the “**investigation period**” or “**IP**”).
8. Super Sales India Limited was incorporated in 1981 as Super Sales Agencies Limited and subsequently changed to the present name in 2005. The company is engaged in textile business. Its Registered Office Address is A-34, Kamaraj Road, Coimbatore - 641018. The shares of the company are listed at BSE. During the investigation period, the scrip was also being traded at NSE in the ‘permitted to trade’ category. Thereafter, vide a circular no.1197/2014 dated December 30, 2014 by NSE, the said scrip was withdrawn from dealing in NSE with effect from January 08, 2015.

9. Price Volume Movement - The price volume movement in the scrip during IP on BSE is summarised below. The IP was divided into 5 patches for the purpose of investigation as given in the next table. The scrip price closed at Rs.432.10 in BSE on January 25, 2019.

Period	Dates	Open	Close	Low	High	Total traded shares (Daily Avg.)	
Before Investigation Period	15-Sep-2011 to 14-Dec-2011	Price	189.85	139.55	131.00 (28-Nov-2011)	197.00 (22-Sep-2011)	149,752 (2,496)
		Vol	24	6,163	13 (13-Dec-2011)	14,434 (22-Sep-2011)	
Investigation Period	15-Dec-2011 to 09-Oct-2014	Price	134.25	338.65	123.05 (20-Dec-2011)	480.90 (13-Mar-2014)	2,490,312 (3,819)
		Vol	12,831	1,183	1 (11 instances)	299,771 (05-Mar-2014)	
After investigation period	10-Oct-2014 to 09-Jan-2015	Price	330.00	300.00	265.00 (17-Dec-2014)	374.70 (13-Oct-2014)	36,747 (693)
		Vol	104	58	4 (10-Nov-2014)	7,022 (24-Nov-2014)	

Patch-wise on BSE

Period	Dates	Open	Close	Low	High	Total traded shares (Daily Avg.)	
Patch 1 Rise	15-Dec-2011 to 16-Jan-2013	Price	134.25	268.25	123.05 (20-Dec-2011)	286.90 (16-Jan-2013)	586,058 (2,212)
		Vol.	12,831	13,165	1 (6 instances)	248,836 (19-Dec-2012)	
Patch 2 Fall	17-Jan-2013 to 11-Aug-2013	Price	269.20	160.00	160.00 (01-Aug-2013)	269.20 (17-Jan-2013)	730,345 (5,618)
		Vol.	3,361	90	1 (3 instances)	270,509 (21-Feb-13)	
Patch 3 Rise	12-Aug-2013 to 12-Mar-2014	Price	161.95	459.80	160.60 (30-Sep-2013)	459.80 (12-Mar-2014)	605,895 (5135)
		Vol.	50	6,436	1 (2 instances)	299,771 (05-Mar-2014)	
Patch 4	13-Mar-2014	Price	480.90	393.00	383.55 (31-Mar-2014)	480.9 (31-Mar-2014)	54,010 (4,155)



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Fall	to 31-Mar-2014	Vol.	2430	614	196 (20-Mar-2014)	27273 *(14-Mar-14)	
Patch 5 Rise	01-Apr-2014 to 28-Jul-2014	Price	392.00	448.00	392.00 (2 instances)	460.00 (12-May-2014)	381,005 (4,763)
		Vol.	3,967	613	33 (06-Jun-2014)	34,370 (18-Jul-2014)	
Patch 6 Fall	30-Jul-2014 to 09-Oct-2014	Price	443.55	338.65	302.25 (18-Aug-2014)	453 (01-Aug-2014)	132,999 (2,891)
		Vol.	15,812	1,183	10 (11-Aug-2014)	28029 (31-Jul-2014)	

10. The scrip is currently not being traded at NSE. The NSE price volume data is given as follows.

Period	Dates		Open	Close	Low	High	Total traded shares (Daily Avg.)
Before Investigation Period	15-Sep-2011 to 14-Dec-2011	Price	186.15	136	122.00 (28-Nov-2011)	188.50 (19-Sep-2011)	75,853 (1,264)
		Vol.	1	253	1 (2 instances)	14,533 (22-Sep-2011)	
Investigation Period	15-Dec-2011 to 09-Oct-2014	Price	133.05	339.95	123.00 (21-Dec-2011)	479.00 (13-Mar-2014)	2,184,702 (3,581)
		Vol.	488	309	1 (11 instances)	331,569 (14-Mar-2013)	
After investigation period	10-Oct-2014 to 09-Jan-2015	Price	335.00	301.5	270.00 (18-Dec-2014)	389.00 (16-Oct-2014)	15,003 (300)
		Vol.	286	42	2 (22-Oct-2014)	2,387 (27-Oct-2014)	

Patch-wise on NSE

Period	Dates		Open	Close	Low	High	Total traded shares (Daily Avg.)
Patch 1 Rise	15-Dec-2011 to 16-Jan-	Price	133.05	267.90	123.00 (21-Dec-2011)	304.80 (16-Jan-2013)	803,035 (3,113)
		Vol.	488	277,591	1 (3 instances)	277,591 (16-Jan-2013)	

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	2013						
Patch 2 Fall	17-Jan-2013 to 11-Aug-2013	Price	269.00	155.10	155.10 (08-Aug-2013)	278.65 (21-Jan-2013)	467,688 (3,963)
		Vol.	3,281	60	2 (3 instances)	331,569 (14-Mar-2013)	
Patch 3 Rise	12-Aug-2013 to 12-Mar-2014	Price	165.00	460.55	156.10 (04-Sep-2013)	460.55 (12-Mar-2014)	412,608 (4,254)
		Vol.	1,305	8,585	1 (2 instances)	122,424 (05-Mar-2014)	
Patch 4 Fall	13-Mar-2014 to 31-Mar-2014	Price	450.2	390	387.00 (31-Mar-2014)	479.00 (13-Mar-2014)	74,740 (5,749)
		Vol.	1,008	1,364	1 (20-Mar-2014)	36,057 (28-Mar-2014)	
Patch 5 Rise	01-Apr-2014 to 28-Jul-2014	Price	389	449	386.00 (01-Apr-2014)	450.05 (09-May-2014)	284,267 (3,644)
		Vol.	293	388	5 (25-Jun-2014)	35,273 (11-Apr-2014)	
Patch 6 Fall	30-Jul-2014 to 09-Oct-2014	Price	444.45	339.95	319.90 (22-Aug-2014)	449.75 (31-Jul-2014)	142,364 (3,095)
		Vol.	15,622	309	12 (25-Sep-2014)	79,765 (31-Jul-2014)	

11. Financial Results of SSIL during IP were as follows:

(Rs. In Crore)

Description	Year Ended			
	31-Mar-2012	31-Mar-2013	31-Mar-2014	31-Mar-2015
Net sales	144.69	186.84	218.04	220.59
Other Income	3.05	3.74	5.50	5.20
Total income	147.74	190.58	223.53	225.80
Profit after tax	-14.15	10.53	16.89	15.81

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12. It is seen from the results that company net sales and profit had continuously been increasing from the financial year ending March 31, 2012 to March 31, 2014.

13. On the basis of MCA filings, KYC documents, bank account statements and off-market transactions, a group of 20 connected entities (hereinafter referred to as '**Bharat Patel Group**' or 'the group') was observed during the investigation period:-

No	PAN	Entity Name
1	AAAPP6652R	Bharat Jayantilal Patel ("Bharat")
2	ANDPP9202F	Ruchit Bharat Patel ("Ruchit")
3	AACPP5126G	Minal Bharat Patel ("Minal")
4	AHIPP1407H	Hardik Bharat Patel ("Hardik")
5	AABPP2156M	Prashant Jayantilal Patel ("Prashant")
6	AABPP2157L	Pankaj Jayantilal Patel ("Pankaj")
7	ABAPS7558L	Vanraj Vinod Shah
8	AAGPK6090A	Ajay kumar Banwarilal Kejriwal
9	AAACP3115E	Pat Financial Consultants Pvt. Ltd. ("Pat")
10	AAICA9489N	Acira Consultancy Pvt. Ltd. ("Acira")
11	AACCG3017CGandiv	Investment Pvt. Ltd. ("Gandiv")
12	AACCH5285RHridaynath	Consultancy Pvt. Ltd. ("Hriday")
13	AABCP1438P	Pranav Holdings Pvt. Ltd. ("Pranav")
14	AABCF0017A	Fidelity Multitrade Pvt. Ltd. ("Fidelity")
15	AAFCEM3690QMoneybee	Realty Pvt. Ltd. ("Moneybee")
16	AAACP8316P	Pasha Finance Pvt. Ltd. ("Pasha")
17	AACCS2302J	Superior Financial Services Consultancy Pvt Ltd (Superior)
18	AAACI2564G	Innovative Data Organisers Pvt Ltd (Innovative)
19	AABCB3110C	BJD Securities Pvt. Ltd (BJD)
20	AACCM4608H	Medium Investments Co Pvt Ltd (Medium)

14. Summary of trading by the Bharat Patel Group during the investigation period was tabulated as follows:-

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Name of Entity	BSE				NSE			
	Gross Buy	% of Gross Buy to Mkt. Vol.	Gross Sell	% of Gross Sell to Mkt. Vol.	Gross Buy	% of Gross Buy to Mkt. Vol.	Gross Sell	% of Gross Sell to Mkt. Vol.
Minal Bharat Patel	207,862	8.35	136,430	5.48	33,713	1.54	235,645	10.79
Hardik Bharat Patel	187,254	7.52	74,560	2.99	6,302	0.29	100,025	4.58
Hridaynath Consultancy P Ltd	150,727	6.05	296	0.01	125,273	5.73	267	0.01
Fidelity Multitrade Pvt. Ltd.	122,082	4.90	82	0.00	0	0.00	122,000	5.58
Pasha Finance Pvt. Ltd.	99,244	3.99	6,160	0.25	0	0.00	93,084	4.26
Pat Financial Consultant P Ltd	77,890	3.13	600	0.02	37,916	1.74	0	0.00
Bharat Jayantilal Patel	58,103	2.33	269,871	10.84	320,556	14.67	74,163	3.40
Bjd Securities Pvt. Ltd	44,633	1.79	13,690	0.55	0	0.00	0	0.00
Acira Consultancy Pvt Ltd	26,607	1.07	150,000	6.02	175,790	8.05	0	0.00
Moneybee Realty Pvt Ltd	20,698	0.83	19,068	0.77	108,332	4.96	58,515	2.68
Superior Finn.	19,359	0.78	0	0.00	15,408	0.71	0	0.00
Gandiv Investment Pvt. Ltd.	13,965	0.56	156,614	6.29	144,114	6.60	1,465	0.07
Ruchit Bharat Patel	13,798	0.55	18,691	0.75	19,585	0.90	50,675	2.32
Medium Investments Co P Ltd	1,780	0.07	5,977	0.24	0	0.00	0	0.00
Innovative Data Orgn. Pvt Ltd	593	0.02	3,945	0.16	0	0.00	0	0.00
Prashant Patel	547	0.02	245,000	9.84	252,292	11.55	7,838	0.36
Total	1,045,142	41.97	1,100,984	44.21	1,239,281	56.73	743,677	34.04

15. It was noted from the above table that 16 entities out of total 20 entities in Bharat Patel Group had traded in the said scrip during the investigation period at BSE and 11 out of 20 such entities had traded at NSE. They purchased 10,45,142 shares (41.97% of total market volume) and sold 11,00,984 shares (44.21% of total market volume) during the investigation period at BSE and purchased 12,39,281 shares (56.73% of total market volume) and sold 7,43,677 shares (34.04% of total market volume) during the investigation period at NSE.

16. Synchronised trades are said to be executed when the difference between placement of order by buyer and seller are within one minute and order rate as well as order quantity of buy side and sale side are the same. Bharat Patel Group's contribution to synchronised trades during the investigation period were as follows:-

Gross Buy Qty of Bharat Patel Group	Gross Sell Qty of Bharat Patel Group	Gross Total	Total qty traded among Bharat Patel Group	Sync traded qty by Bharat Patel Group	Sync Trades as % of total traded among Bharat Patel Group	Sync Trades as % of Total market volume
BSE						
1,045,142	1,100,984	2,146,126	691,361	548,959	79.40%	22.04%
NSE						
1,239,281	743,677	1,982,958	611,652	124,587	20.37%	5.70%

17. The entity-wise details of synchronized trades executed by Bharat Patel Group were as follows:-

Buyer Name	Seller Name	Sync. Qty.	% of Sync. Vol. to Mkt. Vol.	No. of Trades	No of days
BSE					
Pat Financial Consultant Pvt Ltd	Hardik Bharat Patel	14,776	0.59	1	1
Bharat Jayantilal Patel	Pasha Finance Pvt. Ltd.	2,000	0.08	1	1
Bharat Jayantilal Patel	Minal Bharat Patel	29,527	1.19	2	2
Bharat Jayantilal Patel	Hardik Bharat Patel	15,200	0.61	2	2
Bjd Securities Pvt. Ltd	Innovative Data Organisers Pvt Ltd	1,000	0.04	1	1
Bjd Securities Pvt. Ltd	Hridaynath Consultancy Pvt. Ltd.	50	0.00	1	1
Bjd Securities Pvt. Ltd	Medium Investments Co Pvt Ltd	3,495	0.14	3	2
Fidelity Multitrade Pvt. Ltd.	Bharat Jayantilal Patel	122,082	4.90	1	1
Hridaynath Consultancy Pvt. Ltd.	Minal Bharat Patel	17,847	0.72	2	2
Hridaynath Consultancy Pvt. Ltd.	Moneybee Realty Private Limited	12,913	0.52	1	1

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Hridaynath Consultancy Pvt. Ltd.	Hardik Bharat Patel	34,561	1.39	3	3
Hridaynath Consultancy Pvt. Ltd.	Ruchit Bharat Patel	4,936	0.20	1	1
Minal Bharat Patel	Pasha Finance Pvt. Ltd.	1,471	0.06	5	1
Minal Bharat Patel	Gandiv Investment Pvt. Ltd.	127,798	5.13	4	4
Hardik Bharat Patel	Minal Bharat Patel	8,115	0.33	1	1
Hardik Bharat Patel	Acira Consultancy Private Limited	150,000	6.02	3	3
Hardik Bharat Patel	Ruchit Bharat Patel	3,188	0.13	2	1
Total		548,959	22.04	34	28
NSE					
Bharat Patel	Hardik Bharat Patel	45,000	2.06	3	3
Bharat Patel	Ruchit B. Patel	15,000	0.69	1	1
Gandiv Investment Pvt Ltd	Fidelity Multitrade Pvt. Ltd.	622	0.03	2	1
Hridaynath Consultancy Pvt. Ltd.	Minal Bharat Patel	30,000	1.37	2	2
Hridaynath Consultancy Pvt. Ltd.	Hardik Bharat Patel	15,000	0.69	1	1
Moneybee Realty Pvt. Ltd.	Minal Bharat Patel	7,500	0.34	5	1
Moneybee Realty Pvt. Ltd.	Hardik Bharat Patel	10,000	0.46	1	1
Acira Consultancy Pvt. Ltd.	Gandiv Investment Pvt Ltd	1,465	0.07	1	1
Total		124,587	5.70	16	11

18. It was observed that Bharat Patel Group repetitively executed synchronised trades for 5,48,959 shares (22.04% of the market volume) in 34 trades over 28 trading days at BSE and thus created misleading appearance of trading in the scrip without any intention of change in ownership of the security.

19. The Noticees, being part of the Bharat Patel Group, were found to be directly or indirectly connected to Bharat Jayantilal Patel through directorships of entities connected to him or through fund movement with such entities.

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20. It was seen that Bharat Patel Group including Noticees 1-11 executed synchronized trades for 1,24,587 shares (5.70% of the market volume) over 16 trades on 11 trading days at NSE during the investigation period.

21. In view of the above, it was alleged that Noticees 1 to 11 had violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulation 3 (a), (b), (c) and (d), and Regulation 4(1) and 4(2)(a) and (g) of the PFUTP Regulations.

Role of the Broker in the Synchronised Trades

22. Finquest Securities P. Ltd., (Noticee No.14) was the broker and counterparty broker for 22 out of 34 synchronized trades at BSE for a quantity of 3,62,692 shares (14.56% of the market volume) during the investigation period. All the buy and sell synchronised trades were executed from terminal ID 3, 4, 6, 8 and 10 at Finquest Securities P. Ltd.

23. Two of the Noticees from the Bharat Patel Group i.e. Hardik Bharat Patel and Minal Bharat Patel, are directors of Finquest Securities P. Ltd. Thus Finquest Securities P. Ltd. was found to be connected to the Bharat Patel Group which has indulged in the fraudulent synchronised trades and in view of the same, it was alleged that Finquest Securities P. Ltd. facilitated their fraudulent trades and created misleading appearance of trading in the scrip without any intention of change in ownership of the security.

24. In view of the above, it was alleged that the Noticee No.14 has violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 r/w Regulations 3(a) (b) (c) (d) (e) and 4(1) and 4(2)(a) and (g) of the PFUTP Regulations.

25. In addition to this, it was alleged that Noticee No.14 failed to exercise due skill and care in terms of Clause A(2) of the Code of Conduct for Stock Brokers as specified under Schedule II read with Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (w.e.f. Sept. 27, 2013, Regulation 7 became Regulation 9).

Disclosure requirements under the provisions of SAST Regulations and PIT Regulations

26. Upon analysis of the change in shareholding of the promoter entities, it was seen that disclosures had been made by the promoter and promoter group entities. However, five entities (Noticee Nos. 1, 2, 3, 8 and 12) in the Bharat Patel Group failed to make necessary disclosures under the PIT Regulations in various instances when there were changes in their shareholding in the scrip of Super Sales India Limited during the investigation period. Analysis was done on the basis of demat transaction statements received from NSDL and CDSL for the PANs of the group entities, email from BSE and letter from the company.

27. Summary of the instances of non-disclosure are given as follows:-

PIT Regulations

(i) Bharat Jayantilal Patel ("Noticee 1")

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
18-Jan-2013	24049	0.78%	0	0.00%	243033	7.92%	267082	8.70%	Triggered R.13(1)	Not disclosed
20-Feb-2013	267082	8.70%	267082	8.70%	0	0.00%	0	0.00%	Triggered R.13(3)	Not disclosed
17-Apr-2013	0	0.00%	0	0.00%	206698	6.73%	206698	6.73%	Triggered R.13(1)	Not disclosed
25-Jul-2013	206698	6.73%	200000	6.51%	0	0.00%	6698	0.22%	Triggered R.13(3)	Not disclosed

Adjudication Order in respect of Bharat Patel and Others in the matter of Super Sales India Ltd.

(ii) Minal Bharat Patel (“Noticee 2”)

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
3-Jul-2012	153286	4.99%	0	0.00%	350	0.01%	153636	5.00%	Triggered R.13(1)	Not disclosed
8-Dec-2012	154750	5.04%	129533	4.22%	0	0.00%	25217	0.82%	Triggered R.13(3)	Not disclosed
12-Apr-2013	111444	3.63%	0	0.00%	95214	3.10%	206658	6.73%	Triggered R.13(1)	Not disclosed
17-Apr-2013	206698	6.73%	206698	6.73%	0	0.00%	0	0.00%	Triggered R.13(3)	Not disclosed
20-Nov-2013	0	0.00%	0	0.00%	200000	6.51%	200000	6.51%	Triggered R.13(1)	Not disclosed
12-Feb-2014	164304	5.35%	30000	0.98%	0	0.00%	134304	4.37%	Triggered R.13(3)	Not disclosed

(iii) Hardik Bharat Patel (“Noticee No. 3”)

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
29-Apr-2013	153097	4.99%	0	0.00%	437	0.01%	153534	5.00%	Triggered R.13(1)	Not disclosed
18-Jul-2014	109584	3.57%	25064	0.82%	0	0.00%	84520	2.75%	Triggered R.13(3)	Not disclosed

Adjudication Order in respect of Bharat Patel and Others in the matter of Super Sales India Ltd.

(iv) Prashant Jayantilal Patel (“Noticee 12”)

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
12-Dec-2012	7910	0.26%	244926	7.98%	489852	15.96%	252836	8.24%	Triggered R.13(1)	Not disclosed
19-Dec-2012	252836	8.24%	245000	7.98%	0	0.00%	7836	0.26%	Triggered R.13(3)	Not disclosed

(v) Hridaynath Consultancy Pvt. Ltd. (“Noticee 8”)

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
23-Jul-2014	139512	4.54%	0	0.00%	30000	0.98%	169512	5.52%	Triggered R.13(1)	Not disclosed
1-Aug-2014	121957	3.97%	151856	4.95%	29899	0.97%	0	0.00%	Triggered R.13(3)	Not disclosed

28. Based on the above tables, it was alleged that Noticee Nos. 1, 2, 3, 8 and 12 failed to make disclosures to the stock exchange and the company under Regulation 13 (1) and 13(3) read with 13(5) of SEBI (PIT) Regulations, 1992, when their acquisitions crossed 5% and for subsequent changes of 2% or more in the scrip of Super Sales during the investigation period.

29. The company in its reply dated July 06, 2015 and BSE vide email dated March 19, 2018, provided details of disclosures received by them. However, it was observed that there were various instances of purchase/ sell as given in the above table which allegedly triggered disclosure requirements and yet, disclosures were not provided by the entities to the company or the exchange in violation of Regulation 13 (1) and 13(3) read with 13(5) of SEBI (PIT) Regulations, 1992.

Disclosure Requirements under SAST Regulations 2011

30. From an analysis of common directorships between Bharat Patel Group entities, it was seen that 11 of the said entities fall under the definition of 'Persons Acting in Concert' (PACs) in terms of Regulation 2(1)(q)(2)(ii) and (iii) of SEBI (SAST) Regulations, 2011. The list of PACs from Bharat Patel group was given in Annexure 4 of the SCN.

Bharat Patel Group and its PACs – SAST Disclosures

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.29(1) & (2) of read with R.29(3) of SEBI (SAST) 2011	Disclosure Status
31-Jan-2012	54273	1.77%	0	0.00%	132689	4.32%	186962	6.09%	Triggered R.29(1)	Not disclosed
7-Dec-2012	238790	7.78%	0	0.00%	64178	2.09%	302968	9.87%	Triggered R.29(2)	Not disclosed
8-Dec-2012	302968	9.87%	244926	7.98%	0	0.00%	58042	1.89%	Triggered R.29(2)	Not disclosed

12-Dec-2012dccc	65952	2.15%	244926	7.98%	490563	15.98%	311589	10.15%	Triggered R.29(1)	Not disclosed
19-Dec-2012	311589	10.15%	245000	7.98%	0	0.00%	66589	2.17%	Triggered R.29(2)	Not disclosed
21-Dec-2012	63800	2.08%	0	0.00%	99244	3.23%	163044	5.31%	Triggered R.29(1)	Not disclosed
16-Jan-2013	185364	6.04%	91084	2.97%	0	0.00%	94280	3.07%	Triggered R.29(2)	Not disclosed
18-Jan-2013	106466	3.47%	0	0.00%	243033	7.92%	349499	11.38%	Triggered R.29(1)	Not disclosed
20-Feb-2013	364106	11.86%	267082	8.70%	0	0.00%	97024	3.16%	Triggered R.29(2)	Not disclosed
25-Feb-2013	97169	3.17%	0	0.00%	122082	3.98%	219251	7.14%	Triggered R.29(1)	Not disclosed
14-Mar-2013	219251	7.14%	122000	3.97%	0	0.00%	97251	3.17%	Triggered R.29(2)	Not disclosed
8-Apr-2013	129309	4.21%	0	0.00%	29000	0.94%	158309	5.16%	Triggered R.29(1)	Not disclosed
9-Apr-2013	158309	5.16%	0	0.00%	135404	4.41%	293713	9.57%	Triggered R.29(2)	Not disclosed
12-Apr-2013	293872	9.57%	0	0.00%	95214	3.10%	389086	12.67%	Triggered R.29(2)	Not disclosed
25-Jul-2013	406942	13.26%	400000	13.03%	200000	6.51%	206942	6.74%	Triggered R.29(2)	Not disclosed
20-Nov-2013	206942	6.74%	200000	6.51%	400000	13.03%	406942	13.26%	Triggered R.29(2)	Not disclosed
12-Feb-2014*	349959	11.40%	30000	0.98%	0	0.00%	319959	10.42%	Triggered R.29(2)	Not disclosed
6-Mar-2014*	276996	9.02%	40213	1.31%	0	0.00%	236783	7.71%	Triggered R.29(2)	Not disclosed
21-Jul-2014	182225	5.94%	30000	0.98%	15000	0.49%	167225	5.45%	Triggered R.29(2)	Not disclosed
24-Jul-2014	142705	4.65%	2847	0.09%	15000	0.49%	154858	5.04%	Triggered R.29(1)	Not disclosed
31-Jul-2014	154858	5.04%	261949	8.53%	115206	3.75%	8115	0.26%	Triggered R.29(2)	Not disclosed

Adjudication Order in respect of Bharat Patel and Others in the matter of Super Sales India Ltd.

Hridaynath Consultancy Pvt. Ltd. ("Noticee 8")

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.29(1) & (2) of read with R.29(3) of SEBI (SAST) 2011	Disclosure Status
23-Jul-2014	139512	4.54%	0	0.00%	30000	0.98%	169512	5.52%	Triggered R.29(1)	Not disclosed
1-Aug-2014	121957	3.97%	151856	4.95%	29899	0.97%	0	0.00%	Triggered R.29(3)	Not disclosed

31. Based on the tables above, it was alleged that Noticee Nos. 1, 2, 3, 4, 7, 8, 9, 10, 12 and 13 failed to make disclosures to the stock exchange and the company under Regulation 29(1) and 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011, when their acquisitions crossed 5% and for subsequent changes of 2% or more in the scrip of Super Sales during the investigation period.

32. The company in its reply dated July 06, 2015 and BSE vide email dated March 19, 2018, provided details of disclosures received by them. However, it was observed that, there were various instances of purchase/ sell as given in the above table which allegedly triggered the disclosure requirement and yet, disclosures were not provided by the entities to the company or the exchange in violation of Regulation 29(1) and 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011.

33. The SCN was served upon the Noticees vide e-mail dated May 18, 2020. The Noticees were granted a period of 14 days from the date of receipt of notice by them, to submit a reply to the SCN, if any.

34. Reply dated August 28, 2020 was submitted by Noticees 1- 4, 7, 9, 10, 12 and 13 vide letter dated November 7, 2020, stating the following:-

- a. Noticee referred to order passed on 08/09/2020 by Hon'ble Securities Appellate Tribunal (SAT) in the case of Noticee's transactions in Seshasayee Paper & Board Ltd., wherein the impugned order against the Bharat Patel Group entities for circular trades in the abovementioned scrip was set aside on the ground of delay in initiation of adjudication proceedings which had caused prejudice to the appellants.
- b. Regarding failure to make disclosures to the Stock Exchanges and the Company under Regulation 29(1) and 29(2) read with 29(3) of SEBI (SAST Regulation, 2011) it was stated that since the shareholding details are of a period 8 years old i.e. between 2012-14, Noticee was not in a position to locate all the old papers.
- c. However, it was submitted that the Noticee's shareholding is also disclosed in quarterly shareholding pattern as displayed in Stock Exchange website and available to general public (Shareholding pattern period ended Mar-12 to Sep-14 highlighting Noticee's shareholding was attached as Annexure - I). Thus, details of change of holding of the shares of the company were already in the public domain due to the corporate periodic filing made by the company with the stock exchange.
- d. No harm was caused to any investor and no pecuniary gains were made by the Noticees
- e. It was submitted that there had been inordinate delay in initiation of the present proceedings which has been condemned by courts.
- f. Even though the details of the alleged trades were furnished by SEBI but it was humanly impossible and untenable for Noticee to remember and recollect and explain rationale or reasons now in 2020 as to how and why such trades of 2011-12, 2012-13, 2013-14 & 2014-15 were executed. It is also submitted that the reasons for such could be liquidity requirements, booking of profit or loss, tax planning, availability of better alternative

investment or business opportunities. It is also relevant to note that in view of large volume in market (Volume of trading for 2011-12 to 2014-15 enclosed as Annexure).

- g. It is mentioned in the SCN that price movement of Super Sales India Ltd. during investigation period was analyzed. The investigation has not disclosed any reasons for splitting investigation period into various patches and for attributing purported wrongdoing by linking everyday movement and fluctuation in prices of shares. The investigation has clearly picked few transactions and conveniently split investigation period in various patches to suit its pre-determined objectives.
- h. Noticee have reproduced Patch- 4 (Fall), Patch- 5 (Rise) and Patch - 6 (fall) which established that the period is split into various patches which exhibit prejudice approach of investigation.

Period	Dates	Open	Close	LO_Y	High
Patch - 4 (Fall)	13/03/2014 to 31/03/2014	480.90	393.00	383.55	480.90
Patch -5 (Rise)	01/04/2014 to 28/07/2014	392.00	448.00	392.00	460.00
Patch- 6 (Fall)	30/07/2014 to 09/10/2014	443.55	338.65	302.25	453.00

- i. It can be observed from above that there is no significant change in high price (Patch no. 4, Rs.480.90/-, Patch no. 5, Rs.460/- and Patch no. 6, Rs.453/-) and Low price (Patch no. 4, Rs.383.55, Patch No. 5, Rs.392/- and Patch no. 6, Rs.302.25). However, investigation has split investigation period into Patch no.4 (13/03/2014 to 31/03/2014) wherein it is alleged that the alleged trade have caused fall in price, Patch no.5 (01/04/2014 to 28/07/2014) wherein it is alleged that the alleged trades have caused fall in price,; in Patch 5 it is alleged that the Noticee's trades have caused rise in price and again in Patch 6 the Noticee's trades have caused fall in price. This analysis is completely misleading erroneous and partial.
- j. Noticees submitted that investigation failed or ignored to recognize principle that price is a result of demand and supply of scrips. It is further stated that reasons for doing transactions could be many things including some news about the Company, about industry in which a company operates, specific

Government steps which may affect sector or market in short or longer run, price parity of other scrips such as some other scrips have fallen or risen sharply. Further, a particular price parity favours switch in scrips, liquidity requirement, good profit as intended. The investigation has completely failed to even recognize fluctuation in prices of scrip due to change in earning of the Company. It is also repeated that it is not humanly possible to remember reasons for doing transaction done 7 years back. The transaction was done for any of reasons either mentioned or not known now what is prevalent at that point of time.

- k. Noticees are unable to comment on the transactions of the Bharat Patel Group simply because they knew each other or had dealings with each other.
- l. It was further submitted that volume does not mean or indicate any breach and/or violation of any Rules and Regulations of Securities Market or would mean any wrongdoing. Volume depends on many factors like Networth of investor, number of shares held by investor. Therefore, the volume of transactions should not lead to any negative inference of any nature of whatsoever as the total gross buy and sell to the market volume is normal, considering Noticees' volumes in other scrips and total volume.
- m. Without prejudice to what is stated herein above Noticees 2, 3 & 4 (Minal B. Patel, Hardik B. Patel & Ruchit B. Patel) are wife and sons of Bharat Patel respectively and Noticee no. 7 (Pat Financial Consultants Pvt. Ltd.) and Noticee no. 9 (Fidelity Multitrade Pvt. Ltd.) are Companies where Bharat Patel is a Director. They are financially independent. They have their own investment portfolio built over more than 12 years and are independently large taxpayer. There is no bar to "Connected" parties trading.
- n. Noticees submitted that it is completely wrong to relate any wrongdoing with volume and to portray prejudice and biased picture as volume depends upon many factors like net worth of trader, traders' conviction about its trade, traders holding in the scrips, free float of shares (non-

promoter), volume of particular shares, free float after elimination of large institutions and HNI holder. However, it is totally wrong to attribute any wrongdoing to volume of each investor which is subjective and should be compared with his overall volume (Volume of trading for 2011-12 to 2014-15 of All Entities enclosed as Annexure - A).

- o. Noticee denied that they repetitively executed synchronized trades within group and the allegation is contrary to facts and as mentioned in SCN. On the one hand it was alleged that Noticees executed trades repetitively and on other hand, the SCN itself confirmed that Noticee entered into ONLY 23 trades in BSE and 10 trades in NSE during 1029 days of investigation period - December 25, 2011 to October 09, 2014.
- p. Full payment was made and all transactions are resulted into delivery and transfer from/or to Demat Statement and Noticees became registered holder and owner of the shares. Transactions were done on platform of stock exchange and for consideration in normal course of purchase/ sale of stock and effect of transaction is reflected in audited accounts in respective years.
- q. The impugned transaction has been displayed on Bulk deal of stock exchange window when the quantity traded exceeds .5% of share capital of the Company.
- r. There is no allegation that these alleged trades have manipulated the price of the scrip and/or were done with the intention to manipulate price. It is nowhere stated in SCN that alleged synchronized trades has manipulated prices of shares. The SCN has not alleged that any loss has been caused to any investors in the market. SCN did not allege that there was any malafide object, purpose or motive to execute the alleged trades. It is also not even alleged that Noticees were in any manner connected to or acting at behest of the promoter or director of the Company whose shares are being traded.

- s. It was stated that Noticees and their family are still holding more than twenty five thousand shares of the Company. Therefore, no ulterior motive could be attributed to Noticees transactions.
- t. It was submitted that there is efficient and active surveillance system by respective stock exchanges and the Regulator and none of them has ever found anything unusual or wrong at that point of time.
- u. It was further submitted that the Noticees are independent in respect of their transactions and financially independent income tax assesses and have large portfolio. It was also pointed out that the impugned trades are miniscule as compared to Noticees' total volumes traded. The trade may have been executed for many reasons including financial liquidity requirement or other financial commitment or availability of other scrips comparatively cheaper valuation. Therefore, no adverse inference can be attributed for to any of Noticees' trades.

35. Vide another letter dated December 1, 2020 the abovesaid Noticees 1-10 and 12-14 reiterated the submissions made in earlier letters dated 07.11.2020 and 28.08.2020, and also stated that:-

- a. Inordinate delay in issuance of SCN has prevented Noticees from dealing with SCN appropriately for want of records, so only general explanation based on data in the SCN has been given
- b. High volumes depend on the net worth of the investor and the number of shares held by them.
- c. There is no allegation that large volumes manipulated price
- d. All Noticees are HNIs and large taxpayers
- e. Shareholding pattern as of September 2012 as available on the website of stock exchange, discloses that Minal Patel (Noticee 2), Ruchit Patel (Noticee 4) and Finquest Securities Pvt. Ltd. (Noticee 14) are substantial shareholders with shareholding of 5.04%, 2.09% and 1.43% respectively.
- f. Regarding disclosure violations under PIT Regulations and SAST Regulations, Noticee expressed inability to submit disclosures due to matter

being very old and records not available as in accordance with provisions of Regulation 18 of the SEBI (Stock Broker and Sub-brokers) Regulations, 1992 Noticee was required to preserve the books of accounts and records under Regulation 17 for minimum period of 5 years. As it cannot be conclusively established that Noticee did not make disclosures, it cannot be treated as non-disclosure just because the stock exchange or company could not confirm the same. In this regard, the Noticee cited the order of the Securities Appellate Tribunal in the matter of Vitro Commodities Private Limited, Kolkata v. SEBI, wherein it was held that the provisions of Regulation 7 (1) of the Takeover Regulations and Regulation 13 (1) of the PIT Regulations are not substantially different since violation of the first automatically triggers violation of the second, and hence there is no justification for imposition of penalty for second violation when penalty for first violation has already been imposed.

- g. There is no prohibition on synchronised trading so long as the transactions are done in accordance with the stock market mechanism and not effected with manipulative intent.
- h. The trading volumes of the Noticees included large volumes of unsynchronised trades with open market participants as well, going up to as much as 11.92% on NSE by Noticee 1, and 9.84% by Noticee 12 on BSE. Non-synchronised quantities were more than the synchronised quantities on the buy or sell side on at least one of the exchanges in the case of many Noticees such as Noticee 1, 2, 4, 7, 9 and 10.

36. Noticee 11 replied vide e-mail dated November 5, 2020, stating the following:-

- a. Noticee 11 invests in share market and holds stocks, which would give good investment value due to fundamental and technical grounds either in short term or long term.
- b. Noticee bought the impugned shares thinking it would unlock value in short term, and company had also announced buyback of shares attracting good

return in short time so Noticee had bought the shares. Noticee took delivery of these shares and consideration was settled and Noticee participated in open offer also.

- c. Noticee accepted that it had carried out synchronized trade as this scrip was thinly traded and to buy sell good quantity they need to talk to market participants. Even it is decided by Supreme Court in case of Rakhi trading that synchronised trades per se cannot be treated as objectionable if it is not to manipulate price. There was no allegation how Noticee's transaction has manipulated price.
- d. There is no Insider Trading, Price rigging or market manipulation or artificial price movement from Noticee.

37. Noticees 5, 6, 8 and 14 did not respond to the SCN.

38. Vide letter dated October 21, 2020 Noticee 11 was granted an opportunity of hearing by video conferencing through WebEx on November 11, 2020, which was rescheduled to November 10, 2020 upon the Noticee's request. Likewise, the Noticees belonging to the Bharat Patel Group (Noticees 1-10 and 12-14) were granted opportunities of hearing by video conferencing through WebEx on November 9, 2020 vide Hearing Notices dated October 21, 2020. However, upon the request of the Noticees, the said hearings were rescheduled to November 23, 2020. Noticees 5, 6 and 8 were granted opportunities of hearing on November 10, 2020 vide Hearing Notice dated October 21, 2020.

39. Noticees 1-10, 5, 6, 8, 12-14, did not appear for the hearing on the scheduled date of hearing.

40. During the personal hearing granted to the Noticee 11 through video conferencing by WebEx on November 11, 2020, the Authorised Representative of the Noticee –

Mr. Dhiren Shah - reiterated the submissions made vide the Noticee's replies dated November 5, 2020.

41. In the light of the allegations contained in the SCN, the Noticees' submissions in respect of the allegations made in the SCN and relevant material available on record, I hereby proceed to decide the case on merits.

CONSIDERATION OF ISSUES AND FINDINGS

42. The issues arising for consideration in the instant proceedings before me are:-

I. Whether the following provisions have been violated by the Noticees—

- a) Section 12A (a), (b) and (c) of the SEBI Act, and Regulations 3 (a), (b), (c) & (d), 4 (1) and 4(2) (a) & (g) of the PFUTP Regulations by the Noticees 1-11
- b) Regulations 13 (1) and 13 (3) read with 13 (5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations 1992") by Noticee Nos. 1, 2, 3, 8 and 12.
- c) Regulations 29 (1) and 29 (2) read with 29 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers)

- II. If yes, whether the Noticees are liable for imposition of monetary penalty under Sections 15HA and 15A (b) of the SEBI Act, as applicable?
- III. If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15 J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

I. Whether the following provisions were violated: -

a) Allegation of violation of Section 12A (a), (b) and (c) of the SEBI Act, and Regulations 3 (a), (b), (c) & (d), 4 (1) and 4(2) (a) & (g) of the PFUTP Regulations by Noticees 1-11

43. Before proceeding with the case on merits, there is a need to address a preliminary objection by the Noticees on delay in proceedings. The Noticees have also cited the order dated September 8, 2020 passed by the Hon'ble Securities Appellate Tribunal in the matter of Bharat Patel and Ors. v. SEBI, wherein the SAT had allowed the Appeal stating that the Appellants had been prejudiced by the delay in initiation of proceedings, which had prevented them from being able to file their reply to the SCN.

44. In the present case, I note that while the trades pertain to the years 2011-2015, investigation in the matter was completed in February 2019. AO was appointed on June 28, 2019, and the appointment of the AO was communicated vide order dated August 5, 2019. Post issuance of SCN in March 2020, all relevant material relied upon for the purpose of the allegations levelled in the SCN has been provided to the Noticees, and they have submitted detailed replies supported by relevant data from the time of investigation in respect of the allegation pertaining to synchronised trades. Therefore, it cannot be said that the Noticees have been prejudiced by any delay in proceedings. Accordingly, the SAT order cited by the Noticees is not applicable to the facts in respect of the present proceedings. The Noticee's contention in their reply dated 01.12.2020 that the explanations in respect of the allegations in the SCN given in their previous replies were based on data given in the SCN is in itself an admission that all available information which was relevant and relied upon for the purpose of the allegations levelled vis-à-vis the Noticee was served upon the Noticees.

45. In the present case, the allegations levelled against the Noticees arise from the fact that between December 15, 2011 to October 09, 2014, Noticees had carried out repeated synchronised trades which allegedly created misleading appearance of trading in the scrip without any intent of change in beneficial ownership of shares. It is also alleged that the Noticees are connected to Bharat Jayantilal Patel through directorships of entities connected to Bharat Jayantilal Patel or fund movement involving such connected entities. Noticee 14 as a broker connected to the Bharat Patel Group through its directors Hardik Patel and Minal Patel (Noticees 3 and 2) allegedly facilitated 22 out of 34 synchronised trades of the Noticees. There is no allegation of price manipulation against the Noticees.

46. With regard to the connections, except for Noticees 5, 6 and 8, the Noticees are admittedly connected to each other.

47. Data on the gross buy and sell trades of Noticees 1 -13 given in the SCN brings out that they accounted for 40% of the gross buy and 43.26% of the gross sell volume in BSE during the IP. Noticees 1-13 accounted for 56.74% of gross buy and 34.05% of gross sell volume on NSE. This makes it evident that Noticee 1-13 accounted for slightly less than half the trading volumes on BSE and NSE during the trading period. The number of shares traded by them were approximately around 10 lakh shares on BSE and 12.4 lakh shares on buy side and 7.4 lakh shares on sell side on NSE.

48. From the SCN it is noted that the allegations in respect of the Noticees pertain to a total of 34 (BSE) and 16 (NSE) synchronised trades with Bharat Patel Group entities as counterparty clients. The aforesaid synchronised trades are summarised as follows:-

Buyer Name	Seller Name	Sync. Qty.	% of Sync. Vol. to Mkt. Vol.	No. of Trades	No of days
BSE					
Pat Financial Consultant Pvt Ltd (Total 259)	Hardik Bharat Patel (17/7/14)	14,776	0.59	1	1

Bharat Jayantilal Patel (total 180 trades during IP)	Pasha Finance Pvt. Ltd. (15/1/2013)	2,000	0.08	1	1
Bharat Jayantilal Patel	Minal Bharat Patel (17/7/14, 18/7/14)	29,527	1.19	2	2
Bharat Jayantilal Patel	Hardik Bharat Patel (17/7/14, 21/7/14)	15,200	0.61	2	2
Bjd Securities Pvt. Ltd	Innovative Data Organisers Pvt Ltd	1,000	0.04	1	1
Bjd Securities Pvt. Ltd	Hridaynath Consultancy Pvt. Ltd.	50	0.00	1	1
Bjd Securities Pvt. Ltd	Medium Investments Co Pvt Ltd	3,495	0.14	3	2
Fidelity Multitrade Pvt. Ltd. (1 trade)	Bharat Jayantilal Patel (21/2/2013)	122,082	4.90	1	1
Hridaynath Consultancy Pvt. Ltd. (772 trades)	Minal Bharat Patel (21,23/7/14)	17,847	0.72	2	2
Hridaynath Consultancy Pvt. Ltd.	Moneybee Realty Private Limited (20/8/14)	12,913	0.52	1	1
Hridaynath Consultancy Pvt. Ltd.	Hardik Bharat Patel (18,22,23/7/14)	34,561	1.39	3	3
Hridaynath Consultancy Pvt. Ltd.	Ruchit Bharat Patel (18/7/14)	4,936	0.20	1	1
Minal Bharat Patel (598 trades)	Pasha Finance Pvt. Ltd. 14 trades on (15/3/13)	1,471	0.06	5	1
Minal Bharat Patel	Gandiv Investment Pvt. Ltd. (28,3,4,9/4/13)	127,798	5.13	4	4
Hardik Bharat Patel (238 trades)	Minal Bharat Patel. (31/7/14)	8,115	0.33	1	1
Hardik Bharat Patel	Acira Consultancy Private Limited (3,4,5/4/13)	150,000	6.02	3	3
Hardik Bharat Patel	Ruchit Bharat Patel (31/7/14)	3,188	0.13	2	1
Total		548,959	22.04	34	28
NSE					
Bharat Patel 162 trades	Hardik Bharat Patel (18,21,22/7/14)	45,000	2.06	3	3
Bharat Patel	Ruchit B. Patel (29/5/14)	15,000	0.69	1	1
Gandiv Investment Pvt Ltd 46 trades	Fidelity Multitrade Pvt. Ltd. (20 trades on 14/3/13)	622	0.03	2	1

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Hridaynath Consultancy Pvt. Ltd. 316 trades	Minal Bharat Patel (18,21/7/14)	30,000	1.37	2	2
Hridaynath Consultancy Pvt. Ltd.	Hardik Bharat Patel (23/7/14)	15,000	0.69	1	1
Moneybee Realty Pvt. Ltd. 173 trades	Minal Bharat Patel 11 trades on (31/1/14)	7,500	0.34	5	1
Moneybee Realty Pvt. Ltd.	Hardik Bharat Patel 15 trades (on 31/1/14, 1 on 10/2/14)	10,000	0.46	1	1
Acira Consultancy Pvt. Ltd. 249 trades	Gandiv Investment Pvt Ltd (24/7/14)	1,465	0.07	1	1
Total		124,587	5.70	16	11

49. Order in respect of 5 trades of BJD Securities has been passed on November 26, 2020 with the finding that the allegation of creating artificial volumes against BJD Securities was not established. The remaining 29 trades on BSE are for 5.44 lakh shares. The investigation period extends for almost 3 years from December 2011 to October 2014. On perusal of the Noticees' 29 synchronised trades at BSE, it is seen that the trades have taken place on 15.01.2013, 21.02.2013, 15.03.2013, 28.03.2013, and 03.04.2013, 04.04.2013, 05.04.2013 and 09.04.2013 i.e. on 8 days between January to April 2013; and 17.07.2014, 18.07.2014, 21.07.2014, 23.07.2014 and 20.08.2014 i.e on 5 days in July-August 2014. Other than these 29 trades, the Noticees 1, 2, 3, 7 and 8 have carried out several other trades on BSE with unrelated entities, as shown as follows:-

Noticee Name	Number of trades on BSE during IP
Pat Financial Consultant Pvt Ltd	259 trades
Bharat Jayantilal Patel	180 trades
Hridaynath Consultancy Pvt. Ltd.	772 trades
Minal Bharat Patel	598 trades
Hardik Bharat Patel	238 trades

50. From the above, it is seen that on BSE, while the Noticees 1 to 11 were responsible for around 40% of the volumes and traded around 10 lakh shares, only 29 impugned trades of Noticees 1, 2, 3, 7 and 8 out of total around 2047 trades done

by them accounted for more than 50% of traded volume and were synchronised with Noticees 4, 5, 6, 9, 10, 11.

51. I also note that on NSE, impugned 10 trades have taken place on 5 days in July 2014, one day each in January, February and May 2014, and one day in March 2013. During the IP, the Noticees 1,5,6,8,11 carried out 946 trades as shown below, of which only 10 were found to be synchronised on 9 days with the Noticees 2, 3, 4, 6 and 9.

Noticee Name	Number of trades on NSE during IP
Acira Consultancy Pvt. Ltd.	249 trades
Bharat Jayantilal Patel	162 trades
Hridaynath Consultancy Pvt. Ltd.	316 trades
Gandiv Investment Pvt Ltd	46 trades
Moneybee Realty Pvt. Ltd.	173 trades

52. In this regard, I take note of the submissions of Noticee 1-4, 7, 9 and 10 submissions that they entered into only 23 synchronised trades in BSE and 10 trades in NSE during 1029 days of investigation period - December 25, 2011 to October 09, 2014. Full payment was made and all transactions are resulted into delivery and transfer from/or to demat account and Noticees became registered holder and owner of the shares. The impugned transactions were displayed on Bulk deal of stock exchange window when the quantity traded exceeds .5% of share capital of the Company. The Noticees and their family are still holding more than twenty five thousand shares of the Company. Therefore, no ulterior motive could be attributed to Noticees' transactions. Noticees are independent in respect of their transactions and financially independent income tax assesses and have large portfolios.

53. I also take note of submissions of Noticee 11 who accepted that it had carried out synchronized trade as this scrip was thinly traded and to buy sell good quantity

they need to talk to market participants. Noticee 11 also referred to the order of the Supreme Court in the case of Rakhi Trading that synchronised trades *per se* cannot be treated as objectionable if they have not been carried out to manipulate price.

54. I note that while a proportion of the Noticees' trades with each other was synchronised, it is seen that during the investigation period the Noticees entered into trades in the scrip of SSIL with several different unrelated counterparties as well. Out of the large number of trades carried out by the Noticees, the impugned synchronised trades amongst the Noticees are large transactions carried out for delivery which results in change of ownership. I also note Noticees' submissions that these trades resulted into delivery and transfer from/or to demat account and Noticees became registered holder and owner of the shares, and that the transactions were reported in bulk deal window where applicable. I note that while the transactions are synchronised, it is nowhere evident that the transactions did not result in change of beneficial ownership as there are no reversal trades or circular trades, and change of ownership takes place upon receipt of shares post market trades. As the transactions resulted in change of beneficial ownership, the transactions cannot be considered to be misleading as alleged in the SCN. Further, considering the limited number of such transactions as against the total number of trades by the Noticees, the instances cannot be considered to be repeated.

55. The trade logs for the days when volume highs were observed in various Patches of the investigation period were also perused. I note that the contribution to high traded quantities in some other instances has come from trades of Noticees where the counterparties which were unconnected to the Bharat Patel Group. For example, in Patch 1 in BSE, a volume spike (highest volume during the Patch) was seen on 19.12.2012. The traded quantity of 145000 shares on the said date came from one Rajesh Devraj Mehra as buyer and Prashant Patel/Noticee 12 as seller. Similarly, on 21.02.2013, trade for 144700 shares took place between

Noticee 1 as seller and one Yogesh Himatlal Patel as buyer. This shows that Noticees also entered into large trades with other counterparties as well.

56. In view of the above, I accept the Noticees' submissions that volume highs can be caused by many other genuine factors such as the number of shares held by the buyers and sellers, net worth of traders and various factors which could be genuine or in the ordinary course of business, financial liquidity requirement or other financial commitment or availability of other scrips comparatively cheaper valuation. Therefore, after considering the nature of high volume transactions carried out by the Noticees, the fact that the transactions resulted in change of beneficial ownership, the pattern of the impugned trades and the trading pattern in the scrip during the relevant period where much larger number of trades were carried out by the Noticees with unconnected entities, it is not evident from material on record that the Noticees' carried out misleading trades to manipulate volumes in the scrip.

57. In this regard, I refer to the observations of the Hon'ble Supreme Court in the matter of Ketan Parekh. v. SEBI (decided on 14.07.2006) stating that "*a synchronised trade or a trade that matches off market is per se not illegal. Merely because a trade was crossed on the floor of the stock exchange with the buyer and seller entering the price at which they intended to buy and sell respectively, the transaction does not become illegal.*"

58. Further, as held by the Supreme Court in the matter of SEBI v. Kishore Ajmera (Civil Appeal No. 2818 of 2008), cited by the Noticees as well, "*It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled.*"

Therefore, all contextual evidence including trading pattern needs due consideration, and in the present matter, the material on record does not indicate

that the Noticees' trades were carried out to manipulate volumes in the scrip during the investigation period.

59. In view of the above, the charge pertaining to violation of Section 12A (a), (b) and (c) of SEBI Act, 1992 r/w Regulations 3 (a), (b), (c) and (d), 4 (1), 4 (2) (a) and (g) of PFUTP Regulations by the Noticees 1-10 and 11-13 is not established.

60. Consequently, the allegation of violation of Regulations 3 (a), (b), (c), (d), (e) and 4 (1), (2) (a) and (g) of the PFUTP Regulations by Noticee 14 as a connected entity which facilitated 22 out of 29 synchronised trades of Noticees 1 to 11 belonging to the Bharat Patel Group, is not established. For the same reason, the allegation of violation of Clause A (2) of the Code of Conduct in Schedule II read with Regulations 7 and 9 of the Broker Regulations, by Noticee 14, is not established.

b) Allegation of violation of Regulations 13 (1) and 13 (3) read with 13 (5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations 1992") by Noticee Nos.1, 2, 3, 8 and 12.

61. The SCN has also alleged that Noticees 1, 2, 3, 8 and 12 in the Bharat Patel Group acquired more than 5% of the shares of the Company and transacted in the said shares so as to effect shareholding change of more than 2% the total shareholding of the Company, without making the applicable disclosures required to be made to the Company and the stock exchange in terms of Regulations 13 (1) and (3) read with (5) of the PIT Regulations 1992. The Noticees have not submitted any proof of having made the disclosures, stating that the transactions are old and they do not have the documents to defend themselves in respect of the allegations. However, they have contended that since details of quarterly shareholding in terms of Clause 35 of the Listing Agreement was regularly

available to the public on the BSE website, there has been no adverse impact on the market and investors.

62. In this regard, I note that Noticees have not denied the transactions stated in the SCN. I also note that the transactions reported in the SCN are based on demat transaction statements of Noticees received from NSDL and CDSL. I note that transaction data in own demat accounts would be available with the Noticees and plea of non-availability of records on this count is not acceptable. I further note that had the Noticees made appropriate disclosures, the same would have been available with BSE and the Company. Both the exchange and the Company have affirmed that the said disclosures were not received by them.

63. The Noticees have cited the order of SAT in the case of *Vitro Commodities Private Limited, Kolkata v. SEBI* to contend that imposition of penalty under Regulation 7 of the SAST Regulations 1997 and Regulation 13 of the PIT Regulations 1992 are substantially similar, therefore levy of penalty in both instances is unwarranted. I note that the facts in the precedent cited are distinguishable from the present case, as the Noticees have not established that the alleged violations of PIT and SAST Regulations are emanating from the same set of transactions. The allegation of violation of SAST Regulations is on account of the Noticees combined shareholding as PACs, whereas the allegation of violation of PIT Regulations is based on Noticee's individual trades. Therefore, the case cited by the Noticee in this regard is not applicable to the facts of the case pertaining to the Noticees before me.

64. Hence, in the absence of any reply on merit from the Noticees regarding disclosures made by them, it is established that the Noticees failed to make the following disclosures:-

(a) Noticee 1 failed to make the following disclosures under PIT Regulations

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
18-Jan-2013	24049	0.78%	0	0.00%	243033	7.92%	267082	8.70%	Triggered R.13(1)	Not disclosed
20-Feb-2013	267082	8.70%	267082	8.70%	0	0.00%	0	0.00%	Triggered R.13(3)	Not disclosed
17-Apr-2013	0	0.00%	0	0.00%	206698	6.73%	206698	6.73%	Triggered R.13(1)	Not disclosed
25-Jul-2013	206698	6.73%	200000	6.51%	0	0.00%	6698	0.22%	Triggered R.13(3)	Not disclosed

(b) Noticee 2 failed to make the following disclosures under PIT Regulations

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
3-Jul-2012	153286	4.99%	0	0.00%	350	0.01%	153636	5.00%	Triggered R.13(1)	Not disclosed
8-Dec-2012	154750	5.04%	129533	4.22%	0	0.00%	25217	0.82%	Triggered R.13(3)	Not disclosed

12-Apr-2013	111444	3.63%	0	0.00%	95214	3.10%	206658	6.73%	Triggered R.13(1)	Not disclosed
17-Apr-2013	206698	6.73%	206698	6.73%	0	0.00%	0	0.00%	Triggered R.13(3)	Not disclosed
20-Nov-2013	0	0.00%	0	0.00%	20000	6.51%	200000	6.51%	Triggered R.13(1)	Not disclosed
12-Feb-2014	164304	5.35%	30000	0.98%	0	0.00%	134304	4.37%	Triggered R.13(3)	Not disclosed

(c) Noticee 3 failed to make the following disclosures under PIT Regulations

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
29-Apr-2013	153097	4.99%	0	0.00%	437	0.01%	153534	5.00%	Triggered R.13(1)	Not disclosed
18-Jul-2014	109584	3.57%	25064	0.82%	0	0.00%	84520	2.75%	Triggered R.13(3)	Not disclosed

(d) Noticee 8 failed to make the following disclosures under PIT Regulations

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
23-Jul-2014	139512	4.54%	0	0.00%	30000	0.98%	169512	5.52%	Triggered R.13(1)	Not disclosed

1-Aug-2014	121957	3.97%	151856	4.95%	29899	0.97%	0	0.00%	Triggered R.13(3)	Not disclosed
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(e) Noticee 12 failed to make the following disclosures under PIT

Regulations:-

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.13(1) & (3) of read with R.13(5) of SEBI (PIT) 1992	Disclosure Status
12-Dec-2012	7910	0.26%	244926	7.98%	489852	15.96%	252836	8.24%	Triggered R.13(1)	Not disclosed
19-Dec-2012	252836	8.24%	245000	7.98%	0	0.00%	7836	0.26%	Triggered R.13(3)	Not disclosed

65. In view of the above, it is established that Noticee No. 1 (in 4 instances), Noticee 2 (in 6 instances), Noticee 3 (in 2 instances), Noticee 8 (in 2 instances) and Noticee 12 (in 2 instances) violated Regulations 13 (1) and 13 (3) read with 13(5) of the PIT Regulations, when their acquisitions crossed 5% and on account of subsequent change in shareholding of 2% or more of the shareholding of TIL during the investigation period.

c) Allegation of violation of Regulations 29 (1) and 29 (2) read with 29 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1992 ("SAST Regulations 2011") by Noticee Nos.1, 2, 3, 4, 7, 8, 9, 10, 12 and 13.

66. Regarding the allegation that in 21 instances Noticees 1-4, 7, 9, 10, 12 and 13 as Bharat Patel Group entities, and in 2 instances Noticee 8, as “acquirers” and “persons acting in concert” in terms of the SAST Regulations failed to make required disclosures in terms of Regulations 29 (1) and (2) read with (3) of the SAST Regulations, the Noticees 1-4, 7, 9-13 have stated that they have no records to confirm whether they made relevant disclosures in the said instances under the SAST Regulations. The Noticees have sought the benefit of doubt stating that due to the delay in initiation of the present proceedings, they do not have access to any documents or records to confirm that they submitted disclosures at the relevant time. However, since no disclosures were reported by the Company and the exchange where the disclosures were required to be filed, and there is no evidence on record to refute this allegation, I find that it is established that in 21 instances Noticees 1-4, 7, 9, 10, 12 and 13 as PACs belonging to Bharat Patel Group entities. No reply was received from Noticee 8. Hence, it is established that in 2 instances Noticee 8 failed to make required disclosures in terms of the SAST Regulations and the PIT Regulations. The instances of non-disclosure by the Noticees in terms of the SAST Regulations are tabulated below:-

67. Bharat Patel Group and its PACs – SAST Disclosures

Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (dispos al)	% share s dispo sed	Credit (acquisi tion)	% share s acquir ed	Closing (post acquisition)	% holding post-acquisit ion	Trigger under R.29(1) & (2) of read with R.29(3) of SEBI (SAST) 2011	Disclosure Status
31-Jan-2012	54273	1.77%	0	0.00%	132689	4.32%	186962	6.09%	Triggered R.29(1)	Not disclosed
7-Dec-2012	238790	7.78%	0	0.00%	64178	2.09%	302968	9.87%	Triggered R.29(2)	Not disclosed
8-Dec-2012	302968	9.87%	244926	7.98%	0	0.00%	58042	1.89%	Triggered R.29(2)	Not disclosed
12-Dec-2012dcc	65952	2.15%	244926	7.98%	490563	15.98 %	311589	10.15%	Triggered R.29(1)	Not disclosed

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19-Dec-2012	311589	10.15%	245000	7.98%	0	0.00%	66589	2.17%	Triggered R.29(2)	Not disclosed
21-Dec-2012	63800	2.08%	0	0.00%	99244	3.23%	163044	5.31%	Triggered R.29(1)	Not disclosed
16-Jan-2013	185364	6.04%	91084	2.97%	0	0.00%	94280	3.07%	Triggered R.29(2)	Not disclosed
18-Jan-2013	106466	3.47%	0	0.00%	243033	7.92%	349499	11.38%	Triggered R.29(1)	Not disclosed
20-Feb-2013	364106	11.86%	267082	8.70%	0	0.00%	97024	3.16%	Triggered R.29(2)	Not disclosed
25-Feb-2013	97169	3.17%	0	0.00%	122082	3.98%	219251	7.14%	Triggered R.29(1)	Not disclosed
14-Mar-2013	219251	7.14%	122000	3.97%	0	0.00%	97251	3.17%	Triggered R.29(2)	Not disclosed
8-Apr-2013	129309	4.21%	0	0.00%	29000	0.94%	158309	5.16%	Triggered R.29(1)	Not disclosed
9-Apr-2013	158309	5.16%	0	0.00%	135404	4.41%	293713	9.57%	Triggered R.29(2)	Not disclosed
12-Apr-2013	293872	9.57%	0	0.00%	95214	3.10%	389086	12.67%	Triggered R.29(2)	Not disclosed
25-Jul-2013	406942	13.26%	400000	13.03%	200000	6.51%	206942	6.74%	Triggered R.29(2)	Not disclosed
20-Nov-2013	206942	6.74%	200000	6.51%	400000	13.03%	406942	13.26%	Triggered R.29(2)	Not disclosed
12-Feb-2014*	349959	11.40%	30000	0.98%	0	0.00%	319959	10.42%	Triggered R.29(2)	Not disclosed
6-Mar-2014*	276996	9.02%	40213	1.31%	0	0.00%	236783	7.71%	Triggered R.29(2)	Not disclosed
21-Jul-2014	182225	5.94%	30000	0.98%	15000	0.49%	167225	5.45%	Triggered R.29(2)	Not disclosed
24-Jul-2014	142705	4.65%	2847	0.09%	15000	0.49%	154858	5.04%	Triggered R.29(1)	Not disclosed
31-Jul-2014	154858	5.04%	261949	8.53%	115206	3.75%	8115	0.26%	Triggered R.29(2)	Not disclosed

Hridaynath Consultancy Pvt. Ltd. ("Noticee 8")

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Date	No of shares held - pre Acquisition	% holding pre-acquisition	Debit (disposal)	% shares disposed	Credit (acquisition)	% shares acquired	Closing (post acquisition)	% holding post-acquisition	Trigger under R.29(1) & (2) of read with R.29(3) of SEBI (SAST) 2011	Disclosure Status
23-Jul-2014	139512	4.54%	0	0.00%	30000	0.98%	169512	5.52%	Triggered R.29(1)	Not disclosed
1-Aug-2014	121957	3.97%	151856	4.95%	29899	0.97%	0	0.00%	Triggered R.29(3)	Not disclosed

68. In view of the above, it is established that in 21 instances Noticees 1-4, 7, 9, 10, 12 and 13 as PACs belonging to Bharat Patel Group of entities, and in 2 instances Noticee 8, failed to comply with Regulations 29 (1) and (2) read with (3) of the SAST Regulations.

II. If yes, whether the Noticees are liable for imposition of monetary penalty under Sections 15HA and 15A (b) of the SEBI Act, as applicable?

III. If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15 J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

69. As it has been established that Noticees 1, 2, 3, 8 and 12 violated Regulations 13 (1), 13 (3) read with 13(5) of the PIT Regulations, and Noticees 1-4, 7, 9, 10, 12 and 13 as PACs belonging to Bharat Patel Group entities in 21 instances, and in 2 instances Noticee 8, violated Regulations 29 (1) and (2) read with (3) of the SAST Regulations, Noticees 1-4, 7-10, 12 and 13 are liable for imposition of monetary penalty under Section 15A(b) of SEBI Act.

70. Text of Section 15A(b) of SEBI Act is reproduced as follows:-

SEBI Act

Penalty for failure to furnish information, return, etc.

Adjudication Order in respect of Bharat Patel and Others in the matter of Super Sales India Ltd.

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

(b) to file any return or furnish any information, books or other documents within the time specified there for in the regulations, fails to file return or furnish the same within the time specified there for in the regulations, 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”

71. While determining the quantum of penalty under Section 15A(b) and 15HA of SEBI Act, the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:-

Factors to be taken into account by the adjudicating officer

15J. *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.*

72. The material available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the violations established against the Noticees.

73. The Noticees have stated that large deals were disclosed in the block deal window, and that the shareholding of Noticees was also in public domain through quarterly disclosure of shareholding pattern available on the BSE website in terms of Clause 35 of the Listing Agreement. However, this does not absolve the said Noticees of the obligation to comply with the disclosure requirements under PIT and SAST Regulations.

74. Keeping in mind the submissions made by the Noticees, a penalty of Rs. 2 lakh each on Noticees 1, 2, 3, and 12 for violation of Regulations 13(1) and 13 (3) read with 13(5) of the PIT Regulations, Rs. 5 lakhs to be paid jointly and severally by Noticees 1-4, 7, 9, 10, 12 and 13 for violation of Regulations 29 (1) and (2) read with (3) of the SAST Regulations will be commensurate with the violations committed. A penalty of Rs.2 lakh on Noticee 8 for violation of Regulations 13(1) and 13 (3) read with 13(5) of the PIT Regulations and Regulations 29 (1) and (2) read with (3) of the SAST Regulations will be commensurate with the violations committed.

ORDER

75. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty upon the Noticee Nos. 1, 2, 3, 4, 7, 8, 9, 10, 12 and 13 as shown in the table as follows:-

Name of the Noticee	Penalty Provisions and Violations	Penalty Amount
Bharat Jayantilal Patel/Noticee 1	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (1) and (3) read with (5) of the PIT Regulations 1992	Rs.2,00,000/- (Rupees Two Lakhs only)
Minal Bharat Patel/Noticee 2		Rs.2,00,000/- (Rupees Two Lakhs only)
Hardik Bharat Patel/Noticee 3		Rs.2,00,000/- (Rupees Two Lakhs only)
Prashant Jayantilal Patel/Noticee 12		Rs. 2,00,000/- (Rupees Two Lakhs only)
Bharat Jayantilal Patel/Noticee 1, Minal Bharat Patel /Noticee 2 , Hardik Bharat Patel/Noticee 3, Ruchit Bharat Patel/Noticee 4, PAT Financial Consultants Pvt. Ltd. /Noticee 7,	Under Section 15A (b) of the SEBI Act for violation of Regulations 29 (1) and (2) read with (3) of the Takeover Regulations	Rs. 5,00,000/- (Rs. Five lakhs only) payable jointly and severally by Noticees 1-4, 7 and 9-13

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Fidelity Multitrade Pvt. Ltd. /Noticee 9, Pasha Finance Pvt. Ltd./Noticee 10, Prashant Jayantilal Patel/Noticee 12, Superior Financial Services Consultancy Pvt. Ltd. /Noticee 13		
Hridaynath Consultancy Pvt. Ltd./Noticee 8	Under Section 15A (b) of the SEBI Act for violation of Regulations 13 (1) and (3) read with (5) of the PIT Regulations 1992 and Regulations 29 (1) and (2) read with (3) of the Takeover Regulations	Rs. 2,00,000/- (Rupees Two Lakhs only)

76. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order 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 on the following path, by clicking on the payment link

ENFORCEMENT → Orders → Orders of AO → PAY NOW

77. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – IV of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:-

- a) Name and PAN of the entity (Noticee)
- 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

78. Copies of this Adjudication Order are being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: DECEMBER 23, 2020

PLACE: MUMBAI

Digitally signed by
MANINDER CHEEMA
Date: 2020.12.23
R CHEEMA 16:03:26 +05'30'
MANINDER CHEEMA
ADJUDICATING OFFICER

