

**BEFORE THE ADJUDICATING OFFICER SECURITIES AND EXCHANGE BOARD  
OF INDIA [ADJUDICATION ORDER NO. Order/MC/DS/2020-2021/10068]**

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**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 –

1. **K K Securities Ltd (PAN:AAACK1882B)** having address at - 76-77, Scindia House, 1st Floor, Amritchamber, Janpath, Delhi – 110001

In the matter of PMC Fincorp Limited.

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**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter be referred to as, “**SEBI**”) initiated adjudication proceedings under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), against **K K Securities Ltd (KK Securities / Noticee / You)** for the alleged violations of Section 12A(a),(b),(c) of SEBI Act, 1992 read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') pursuant to investigation in the scrip of PMC Fincorp Limited (hereinafter referred to as '**PMC / Scrip / Company**') for the period March 29, 2012 to March 31, 2015 (**IP/investigation period**).

**APPOINTMENT OF ADJUDICATING OFFICER**

2. SEBI appointed the undersigned as Adjudicating Officer (hereinafter referred to as “**AO**”) vide order dated June 26, 2020 to inquire into and adjudge under section 15HA of the SEBI Act, the aforesaid alleged violations against the

Noticee. The appointment of the AO was communicated vide order dated June 30, 2020.

### SHOW CAUSE NOTICE, REPLY AND HEARING

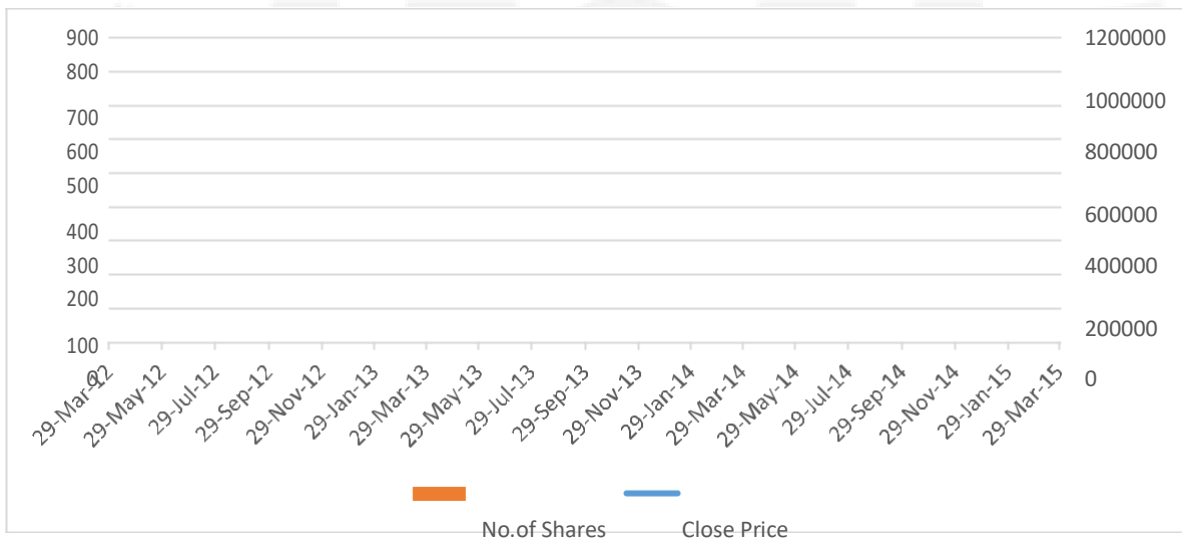
3. Show Cause Notice No. EAD5/MC/DPS/11978/2020 dated July 21, 2020 (hereinafter be referred to as, the “**SCN**”) was served upon the Noticee under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against her under Section 15HA of SEBI Act, 1992, for the alleged violations of Section 12A(a),(b),(c) of SEBI Act, 1992 read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations.
4. The allegations levelled against the Noticee in the SCN are summarized as below:
5. SEBI conducted an investigation in the scrip of PMC Fincorp Limited for the period March 29, 2012 to March 31, 2015 (**IP/investigation period**). During IP, price of the scrip on BSE moved from Rs. 315 to Rs. 41.90 reaching a high of Rs. 880 and a low of Rs. 34.85. The closing market price of the scrip at BSE as on January 22, 2020 was Rs. 0.39. The IP was divided into 5 patches as as given below:

Period	Duration		Opening Price/ vol on 1st day of period(Rs.)	Closing Price/ Vol on last day of period(Rs.)	Low Price/Vol during the Period(Rs.)	High Price/Vol during the Period(Rs.)	Avg no of shares traded daily during the period
Pre- Investig ation	13/03/2012 28/03/2012 (*)	Price (in Rs.)	355	307.95	300.50 (28/03/2012)	424 (16/03/2012)	56064
		Volume	11275	109795	11275 (13/03/2012)	109795 (28/03/2012)	
IP	Patch 1 29/03/2012- 06/02/2013	Price (in Rs.)	315	499.65	313.50 (29/03/2012)	585 (28/01/2013)	40619
		Volume	67975	59563	2810 (18/05/2012)	138987 (01/01/2013)	
	Sub division of equity shares of the company in the ratio 1:2 w.e.f. 07/02/2013						
	Patch 2 07/02/2013 – 19/03/2013	Price (in Rs.)	244	103.15	101 (18/03/2013)	269 (08/02/2013)	161854
Volume		32331	1505	12543 (20/02/2013)	468416 (14/03/2013)		
		Price	103	807.75	99.55	848.90	25353

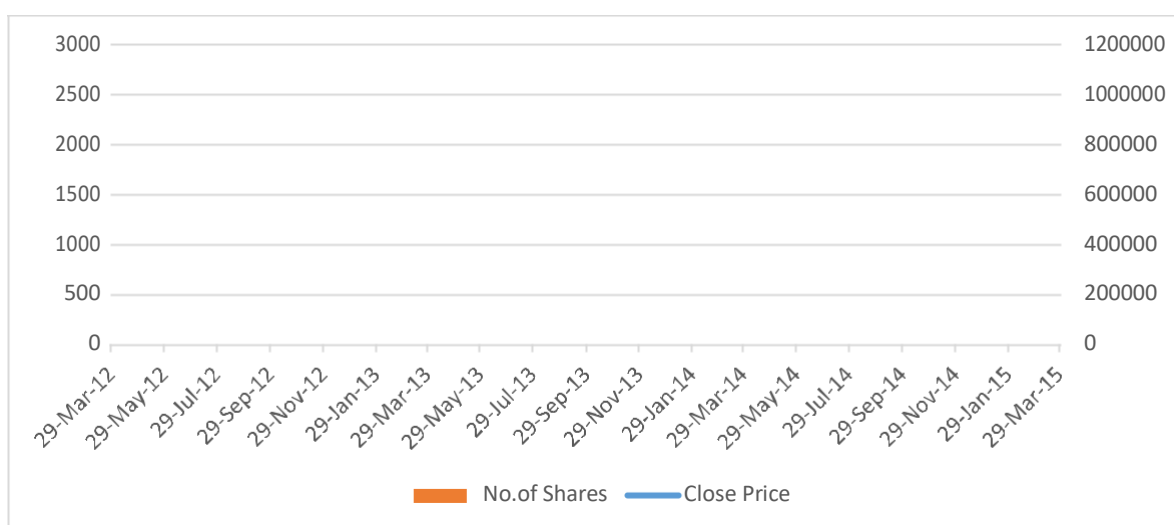
Period	Duration		Opening Price/ vol on 1st day of period(Rs.)	Closing Price/ Vol on last day of period(Rs.)	Low Price/Vol during the Period(Rs.)	High Price/Vol during the Period(Rs.)	Avg no of shares traded daily during the period	
	Patch 3 20/03/2013- 12/03/2014	(in Rs.)			(20/03/2013)	(10/03/2014)		
		Volume	453379	29393	1 (02/04/2013)	524490 (21/03/2013)		
	Issue of bonus shares in the ratio 8:10 w.e.f. 13/03/2014							
	Patch 4 13/03/2014 - 21/10/2014	Price (in Rs.)	430	838.90	425 (13/03/2014)	880 (11/06/2014)	28388	
		Volume	24266	25756	882 (30/06/2014)	186959 (26/03/2014)		
	Sub division of equity shares of the company in the ratio 1:5 w.e.f. 22/10/2014							
Patch 5 22/10/2014 - 31/03/2015	Price (in Rs.)	170	41.90	34.85 (02/02/2015)	244.70 (27/10/2014)	141716		
	Volume	110367	511983	765 (12/01/2015)	1064414 (30/03/2015)			
Post- Investig ation	01/04/2015 - 30/06/2015	Price (in Rs.)	41.05	6.48	5.93 (29/06/2015)	43 (01/04/2015)	421830	
		Volume	899783	481419	14996 (12/06/2015)	2027173 (16/04/2015)		

\*The scrip got listed on BSE on March 12, 2012

#### 6. The price volume chart during the IP is as follows:-



7. The adjusted price volume chart during the IP is as under:-



I. Patch 1 - Price Rise – 29/03/2012 to 06/02/2013:

8. During this period, the price of the scrip opened at Rs.315, reached a high of Rs.585 and closed at Rs.499.65 i.e., a rise of 58.61%. Buy LTP analysis of the 30 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Seabird Vincon Pvt Ltd	307.75	1407307	17488	663.65	100267	960	-355.90	82729	536	1224311	15992	14.69
2	Economy Suppliers Pvt Ltd	233.90	1323665	13195	480.35	91559	733	-246.45	66319	360	1165787	12102	10.64
3	Embassy Sales Private Limited	127.05	915079	11639	620.95	71541	776	-493.90	47543	492	795995	10371	13.75
4	Seabird Retails Pvt Ltd	103.70	1126453	15525	683.80	84712	965	-580.10	90119	744	951622	13816	15.14
5	Seabird Distributors Pvt Ltd	72.55	956200	14105	432.50	45371	618	-359.95	61232	507	849597	12980	9.58
6	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	0.40	536	10	0.40	61	1	0	0	0	475	9	0.01
7	Suresh Kumar Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
8	Krishan Kumar Aggarwal	0	9	2	0	0	0	0	0	0	9	2	0
9	Nitin Aggarwal HUF	0	8	1	0	0	0	0	0	0	8	1	0
10	Nitin Aggarwal	0	8	2	0	0	0	0	0	0	8	2	0
11	Manoj Kumar Aggarwal	0	7	1	0	0	0	0	0	0	7	1	0
12	Kusum Lata Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
13	Suchita Aggarwal	0	7	1	0	0	0	0	0	0	7	1	0
14	Meena Aggarwal	0	9	1	0	0	0	0	0	0	9	1	0
15	Dhirendra Kumar Gupta	0	2	1	0	0	0	0	0	0	2	1	0

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
16	Kiran Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
17	Dhirendra Kumar Gupta and Sons HUF	-1.95	2002	8	0	0	0	-1.95	500	1	1502	7	0
18	M K N Commodity Brokers Private Limited	-4.30	181857	4242	201.50	12093	281	-205.80	30211	329	139553	3632	4.46
19	Anita Gupta	-4.50	5525	35	1	25	1	-5.50	3015	12	2485	22	0.02
20	Sulekha Gupta	-4.75	1900	19	0.50	5	1	-5.25	1001	6	894	12	0.01
21	Mohan Lal Jain HUF	-5.40	2000	1	0	0	0	-5.40	2000	1	0	0	0
22	Radhu Developers Pvt Ltd	-6.90	60700	218	1.80	3698	4	-8.70	4985	25	52017	189	0.04
23	S K Aggarwal HUF	-12.60	15783	201	3.45	580	10	-16.05	1973	22	13230	169	0.08
24	K K Aggarwal HUF	-12.75	5339	64	1.50	71	2	-14.25	1605	12	3663	50	0.03
25	J M S Financial Services Ltd.	-13.85	206459	4634	161.60	9217	242	-175.45	26353	275	170889	4117	3.58
26	Rakesh Kumar Gupta	-14.05	26610	213	13.65	1286	16	-27.70	9579	39	15745	158	0.30
27	Umesh Goyal	-32.70	11293	260	13.35	985	22	-46.05	1160	24	9148	214	0.30
28	Golden Chariot Recreations Private Limited	-35.25	667616	3416	151.50	50186	219	-186.75	99630	358	517800	2839	3.35
29	Mudit Jain HUF	-49.95	34213	342	6.60	2312	20	-56.55	6006	68	25895	254	0.14
30	M K Aggarwal HUF	-51.35	14345	223	7.50	510	12	-58.85	2600	35	11235	176	0.17
<b>Total of connected entities having Net +ve LTP contribution</b>		<b>845.35</b>	<b>5729240</b>	<b>71962</b>	<b>2881.65</b>	<b>393511</b>	<b>4053</b>	<b>-2036.30</b>	<b>347942</b>	<b>2639</b>	<b>4987787</b>	<b>65270</b>	<b>63.81</b>
<b>Total of connected entities</b>		<b>595.05</b>	<b>6964956</b>	<b>85850</b>	<b>3445.60</b>	<b>474479</b>	<b>4883</b>	<b>-2850.55</b>	<b>538560</b>	<b>3846</b>	<b>5951917</b>	<b>77121</b>	<b>76.29</b>
<b>Total of Mkt</b>		<b>178</b>	<b>8773718</b>	<b>99367</b>	<b>4516.20</b>	<b>709694</b>	<b>6019</b>	<b>-4338.20</b>	<b>760944</b>	<b>5329</b>	<b>7303080</b>	<b>88019</b>	<b>100</b>

9. The connected entities contributed Rs. 3445.60 (76.29% of the market +ve LTP) to the market +ve LTP.

10. The connected entities listed at Sr. No. 1 to 6, having net +ve LTP contribution, contributed Rs. 2881.65 (63.81% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities listed at Sr. No. 1 to 6 was Rs. 845.35 whereas the net LTP contribution of the market was Rs. 178.

11. From trading analysis, it was observed that the following 26 entities had traded among themselves and the details are as follows -

Sr. No.	Buyer → Seller ↓	+LTP in Rs.					Total +LTP in Rs.
		Economy Suppliers Pvt Ltd	Embassy Sales Pvt Ltd	Seabird Retails Pvt Ltd	Seabird Vincon Pvt Ltd	Seabird Distributors Pvt Ltd	
1	J M S Financial Services Ltd.	77.45	131.50	126.65	73.50	63	472.10

Sr. No.	Buyer → Seller ↓	+LTP in Rs.					Total +LTP in Rs.
		Economy Suppliers Pvt Ltd	Embassy Sales Pvt Ltd	Seabird Retails Pvt Ltd	Seabird Vincon Pvt Ltd	Seabird Distributors Pvt Ltd	
2	M K N Commodity Brokers Pvt Ltd	46.50	85.30	81.35	69.65	48.50	331.30
3	Anoop Jain	22.15	26.65	29.80	26.25	12.50	117.35
4	Anoop Jain HUF	13.05	21.55	19.75	9.70	7.95	72
5	Embassy Sales Private Limited	7.95	5.25	29.45	16.50	12.85	72
6	Rakesh Kumar Gupta	2.05	8.80	10.55	16.50	2.40	40.30
7	Mohan Lal Jain	2.80	9	3.45	5.90	9.70	30.85
8	Seabird Retails Private Limited	6.20	10.65	4.55	2.75	4.70	28.85
9	Seabird Distributors Private Limited	4.65	7.40	3.70	2.15	1.95	19.85
10	S K Aggarwal HUF	6.50	3.75	0.50	4.15	2.45	17.35
11	Seabird Vincon Private Limited	3.30	5.50	5.60	0.70	2.20	17.30
12	Centillion Capital Private Limited (Formerly Known As Pelf Finstock Ltd)	1.60	5.50	3.70	1.75	2.30	14.85
13	Economy Suppliers Private Limited	0.90	1.50	3.15	4.15	3.70	13.40
14	M K Aggarwal HUF	1.35	1.30	6.10	2.85	1.25	12.85
15	Raghav Bahl	1.80	0.25	2.05	7.25	0.75	12.10
16	Mudit Jain HUF	-	3.15	0.85	4.35	1.50	9.85
17	Umesh Goyal	0.60	4.65	1.10	0.25	1.25	7.85
18	Ritu Kapur	0.75	0.50	0.30	0.80	0.05	2.40
19	K K Securities Ltd	-	-	0.50	0.50	-	1
20	Dhirendra Kumar Gupta & Sons HUF	-	-	-	0.95	-	0.95
21	Anita Gupta	-	-	-	0.50	-	0.50
22	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	0.35	-	-	-	-	0.35
23	Sulekha Gupta	0.05	0.30	-	-	-	0.35
24	Parmod Aggarwal	-	-	0.05	-	0.25	0.30
25	K K Aggarwal HUF	-	0.15	-	-	0.10	0.25
26	Pardeep Aggarwal	-	-	-	-	0.05	0.05
<b>Total</b>		<b>200</b>	<b>332.65</b>	<b>333.15</b>	<b>251.10</b>	<b>179.40</b>	<b>1296.30</b>

12. From the table above, it was observed that Noticee along with 25 entities traded among themselves and contributed Rs. 1296.30 (1867 trades) to the market +ve LTP, which is 28.70% of the market +ve LTP.

13. Entities at Sr. No. 1 to 26 (Sellers) namely Noticee, Mindex, JMS, Centillion, Anoop HUF, S K HUF, Economy, Embassy, Parmod, Anoop, M K N Commodity, Mohan, K K HUF, Mudit HUF, M K HUF, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Umesh, Ritu, Sulekha, Pardeep, Anita, Dhirendra and Rakesh, had aided other five connected entities (buyers) namely

Economy, Embassy, Seabird Vincon, Seabird Retails and Seabird Distributors, by selling shares to them to increase the price of the scrip.

14. In view of the significant +ve LTP contribution by the entities by trading among themselves it was alleged that the Noticee along with the aforesaid 25 entities i.e. Mindex, JMS, Anita, Dharendra, Centillion, Anoop HUF, S K HUF, Economy, Embassy, Parmod, Anoop, M K N Commodity, Mohan, K K HUF, Mudit HUF, M K HUF, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Umesh, Ritu, Sulekha, Pardeep and Rakesh created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise and thereby violated Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

## II. Patch 3 - Price Rise - 20/03/2013 to 12/03/2014:

15. During this period, the price of the scrip opened at Rs. 103, reached a high of Rs.848.90 and closed at Rs. 807.75 i.e., a rise of 684.22%. Buy LTP analysis of 40 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Seabird Vincon Pvt Ltd	152.05	495123	6486	382.05	37697	330	-230	32595	245	424831	5911	4.94
2	Famous Investment Consultants Pvt Ltd	114.70	223861	2575	215.35	15716	164	-100.65	4649	94	203496	2317	2.78
3	Economy Suppliers Pvt Ltd	107.25	393055	4558	342.35	30780	283	-235.10	22355	226	339920	4049	4.43
4	Nishant Inbuild Limited	94.65	127180	1693	173.40	9180	110	-78.75	4153	89	113847	1494	2.24
5	Embassy Sales Private Limited	93.20	311330	4711	595.10	27272	309	-501.90	22282	283	261776	4119	7.69
6	Shivdarshan Sales Pvt Ltd	85.60	129836	1809	155.80	7990	126	-70.20	3526	62	118320	1621	2.01
7	Rolex Vinimay Pvt Ltd	82	162310	1924	149.25	10103	102	-67.25	5123	62	147084	1760	1.93
8	Seabird Distributors Pvt Ltd	65.35	317244	3764	220.05	22624	222	-154.70	23849	191	270771	3351	2.84
9	Seabird Retails Pvt Ltd	61.20	358503	4484	363.95	21772	277	-302.75	16016	257	320715	3950	4.70
10	Vingti Investment Pvt Ltd	12	20000	213	19.45	975	12	-7.45	800	7	18225	194	0.25
11	Radhu Developers Pvt Ltd.	9.75	2002	12	15.75	2	2	-6	200	1	1800	9	0.20
12	Sunil Kumar Gupta HUF	0	10000	5	0	0	0	0	0	0	10000	5	0
13	Darshana Devi	0	10000	17	0	0	0	0	0	0	10000	17	0
14	Mayank Aggarwal	0	3000	1	0	0	0	0	0	0	3000	1	0
15	Nimish Aggarwal	0	3000	1	0	0	0	0	0	0	3000	1	0

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
16	Nupur Aggarwal	0	3000	2	0	0	0	0	0	0	3000	2	0
17	Sakshi Aggarwal	0	3000	4	0	0	0	0	0	0	3000	4	0
18	Satish Singhal	0	15000	3	0	0	0	0	0	0	15000	3	0
19	Meena Singhal	-0.05	10000	6	0	0	0	-0.05	4888	1	5112	5	0
20	Shankar Somani	-0.15	25000	17	0.10	5250	2	-0.25	13885	4	5865	11	0
21	Aarzo Aggarwal	-0.25	3000	1	0	0	0	-0.25	3000	1	0	0	0
22	Himanshu Aggarwal	-0.75	3000	4	0	0	0	-0.75	500	1	2500	3	0
23	Veena Jain	-1.60	17036	128	6.10	688	6	-7.70	408	8	15940	114	0.08
24	Laxmi Narain Kesarwani	-2.05	8000	77	7	530	5	-9.05	210	2	7260	70	0.09
25	Anju Gupta	-2.75	56200	12	0	0	0	-2.75	36000	2	20200	10	0
26	Amitkumar Radheshyam Gupta	-3.05	558	34	4	140	4	-7.05	23	3	395	27	0.05
27	Sunil Kumar Gupta	-4.25	4700	2	0	0	0	-4.25	5	1	4695	1	0
28	K K Securities Ltd	-6	3000	6	1.40	1000	2	-7.40	500	1	1500	3	0.02
29	Umesh Goyal HUF	-6.20	850	22	0.30	20	1	-6.50	220	2	610	19	0
30	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	-7.15	14751	292	6.10	909	5	-13.25	593	12	13249	275	0.08
31	Ashu Goyal	-7.45	5546	199	6.65	596	8	-14.10	240	13	4710	178	0.09
32	Vivek Kesarwani	-9.80	8000	69	0.05	100	1	-9.85	270	2	7630	66	0
33	S K Aggarwal HUF	-12.35	30255	406	19.35	754	11	-31.70	2125	31	27376	364	0.25
34	M K N Commodity Brokers Private Limited	-13.40	38390	796	74.60	2873	52	-88	3559	68	31958	676	0.96
35	Nitin Aggarwal HUF	-15.55	6888	77	14.50	301	6	-30.05	918	23	5669	48	0.19
36	Mudit Jain HUF	-30.55	21500	200	21.80	440	7	-52.35	4805	15	16255	178	0.28
37	Prakash Ferrous Industries Private Limited	-38.55	138161	607	28.15	6243	20	-66.70	20423	37	111495	550	0.36
38	K K Aggarwal HUF	-49.45	23204	341	19.15	675	13	-68.60	1783	25	20746	303	0.25
39	M K Aggarwal HUF	-57.80	37531	484	17.50	1010	13	-75.30	4598	49	31923	422	0.23
40	J M S Financial Services Ltd.	-87.25	58957	1482	83.80	3137	65	-171.05	4446	119	51374	1298	1.08
<b>Total of connected entities having Net +ve LTP contribution</b>		<b>877.75</b>	<b>2540444</b>	<b>32229</b>	<b>2632.50</b>	<b>184111</b>	<b>1937</b>	<b>-1754.75</b>	<b>135548</b>	<b>1517</b>	<b>2220785</b>	<b>28775</b>	<b>34.03</b>
<b>Total of connected entities</b>		<b>521.35</b>	<b>3101971</b>	<b>37524</b>	<b>2943.05</b>	<b>208777</b>	<b>2158</b>	<b>-2421.7</b>	<b>238947</b>	<b>1937</b>	<b>2654247</b>	<b>33429</b>	<b>38.02</b>
<b>Total of Mkt</b>		<b>704.75</b>	<b>6186257</b>	<b>62187</b>	<b>7735.85</b>	<b>397456</b>	<b>4203</b>	<b>-7031.10</b>	<b>464560</b>	<b>3885</b>	<b>5324241</b>	<b>54099</b>	<b>100</b>

16. The connected entities contributed Rs. 2943.05 (38.02% of the market +ve LTP) to the market +ve LTP.

17. The connected entities listed at Sr. No. 1 to 11, having net +ve LTP contribution, contributed Rs. 2632.50 (34.03% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities from Sr. No.



1 to 11 was Rs. 877.75 whereas the net LTP contribution of the market was Rs. 704.75.

18. From trading analysis, it was observed that the following 34 entities had traded among themselves and the details are as follows -

Sr. No.	Buyer → Seller ↓	+LTP in Rs.											Total +LTP in Rs.	
		Nishant Inbuild Ltd	Vimgi Investment Pvt Ltd.	Famous Investment Consultants Pvt Ltd.	Economy Suppliers Pvt Ltd.	Embassy Sales Pvt Ltd.	Radhu Developers Pvt Ltd.	Rolex Vinimay Private Limited	Seabird Retails Pvt Ltd.	Seabird Vincon Pvt Ltd.	Seabird Distributors Pvt Ltd.	Shivdarshan Sales Pvt Ltd.		
1	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	-	-	0.05	0.05	-	-	-	-	-	-	1	-	1.10
2	J M S Financial Services Ltd.	9.55	-	2.35	18.75	26.65	-	-	18.40	19.55	13.30	20.25	-	128.80
3	K K Securities Ltd	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
4	Nishant Inbuild Ltd	-	-	-	6.50	0.50	-	-	-	-	-	-	-	7
5	Centillion Capital Private Limited (Formerly known as Pelf Finstock Limited)	2.25	-	13.40	1.15	4.65	-	6.30	8.55	11.80	4.15	4.45	-	56.70
6	S K Aggarwal HUF	7.20	-	-	-	6.05	-	-	5.80	2.10	0.10	4.30	-	25.55
7	Famous Investment Consultants Pvt Ltd	-	-	-	-	3.05	-	-	13.05	-	0.05	-	-	16.15
8	SS Corporate Securities Limited	-	1.70	0.85	-	2.25	-	0.65	-	-	0.05	23.70	-	29.20
9	Economy Suppliers Private Limited	1.60	-	2	1.10	5.30	-	1	4.75	6.80	2.70	-	-	25.25
10	Embassy Sales Pvt Ltd	1	-	2.30	-	-	3	-	4.50	5.35	0.50	2	-	18.65
11	Accolade Holdings Private Limited	-	-	-	-	1	-	-	-	-	-	-	-	1
12	Golden Chariot Recreations Pvt Ltd	-	-	-	0.05	0.05	-	-	0.25	-	0.10	-	-	0.45
13	Parnami Capital Services Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	0.05
14	Radhu Developers Pvt Ltd.	-	8	3	-	-	-	-	2	-	-	-	-	13
15	Parveen Aggarwal HUF	-	-	-	-	-	-	-	0.20	-	-	-	-	0.20
16	Prakash Ferrous Industries Pvt Ltd	-	-	2.80	9.75	17.40	-	9.80	18.05	14.05	9.15	1.60	-	82.60
17	Rolex Vinimay Pvt Ltd	-	-	-	-	18.20	-	-	3.20	-	-	-	-	21.40
18	M K N Commodity Brokers Pvt Ltd	8.15	-	0.05	19.05	24.80	-	4	25.80	22.45	10.65	5.75	-	120.70
19	Nitin Aggarwal HUF	-	-	-	-	-	-	11.90	-	-	-	-	2	13.90
20	K K Aggarwal HUF	0.45	-	3.35	2.90	1.05	-	2.65	-	3.90	-	0.25	-	14.55
21	Mudit Jain HUF	-	-	7.70	-	-	-	-	18.05	-	-	-	-	25.75
22	M K Aggarwal HUF	0.65	-	2	4.10	0.55	-	4.25	2.30	3.90	2.95	0.40	-	21.10
23	Sanjay Bansal & Sons HUF	-	-	-	-	-	-	-	1	3.50	-	-	-	4.50
24	Raghav Bahl	-	-	9.50	3.55	2.10	-	9.55	5.25	7.40	3.05	0.05	-	40.45
25	Seabird Retails Pvt Ltd	6	-	1	2.55	17.90	-	-	5.15	4.25	1.15	-	-	38
26	Seabird Vincon Pvt Ltd	0.10	-	-	5.05	8.05	-	-	3.55	7	4.95	0.05	-	28.75
27	Seabird Distributors Private Limited	-	-	-	5.15	8.90	-	-	4.55	5.85	0.05	-	-	24.50
28	Savita Aggarwal	-	-	-	-	-	-	-	-	-	-	0.05	-	0.05
29	Santosh Aggarwal	-	-	-	-	-	-	-	1	-	1	-	-	2
30	Shivdarshan Sales Private Limited	-	-	-	-	1	-	-	-	-	-	-	-	1
31	Laxmi Narain Kesarwani	-	-	-	-	-	-	-	-	-	0.05	-	-	0.05
32	Dilip Kumar Agarwal	-	-	-	-	-	-	-	-	1	-	-	-	1

Sr. No.	Buyer → Seller ↓	+LTP in Rs.											Total +LTP in Rs.
		Nishant Inbuild Ltd	Vimgi Investment Pvt Ltd.	Famous Investment Consultants Pvt Ltd.	Economy Suppliers Pvt Ltd.	Embassy Sales Pvt Ltd.	Radhu Developers Pvt Ltd.	Rolex Vinima y Private Limited	Seabird Retails Pvt Ltd.	Seabird Vincon Pvt Ltd.	Seabird Distributors Pvt Ltd.	Shivdarshan Sales Pvt Ltd.	
33	Ashu Goyal	8.70	-	-	0.45	-	-	-	1	1.50	0.85	0.30	12.80
<b>Total</b>		<b>45.65</b>	<b>9.70</b>	<b>50.35</b>	<b>80.20</b>	<b>149.45</b>	<b>3</b>	<b>50.15</b>	<b>146.40</b>	<b>120.40</b>	<b>55.80</b>	<b>65.15</b>	<b>776.25</b>

19. From the table above, it was observed that the Noticee along with 33 entities traded among themselves and contributed Rs. 776.25 (633 trades) to the market +ve LTP, which is 10.58% of the market +ve LTP.

20. Entities at Sr. No. 1 to 33 (sellers) namely Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.), JMS, Anita, Dharendra, Nishant, Centillion, S K HUF, Famous, SSCSL, Economy, Embassy, Accolade, Golden, Parnami, Ashu, Parveen, PFIPL, Rolex, M K N Commodity, Nitin HUF, K K HUF, Mudit HUF, M K HUF, Sanjay, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Savita, Santosh, Shivdarshan, Laxmi, Radhu, and Noticee, were alleged to have aided other 11 connected entities (buyers) namely Nishant, Vimgi, Famous, Economy, Embassy, Radhu, Rolex, Seabird Retails, Seabird Vincon, Seabird Distributors and Shivdarshan, by selling shares to increase the price of the scrip.

21. Also, 11 connected entities (buyers) namely Nishant, Vimgi, Famous, Economy, Embassy, Radhu, Rolex, Seabird Retails, Seabird Vincon, Seabird Distributors and Shivdarshan, having net +ve LTP contribution, contributed Rs. 2632.50 (34.03% of the market +ve LTP) to the market +ve LTP.

22. In view of the significant +ve LTP contribution by the entities by trading among themselves it was alleged that the Noticee along with the aforesaid 33 entities i.e. Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.), JMS, Anita, Dharendra, Nishant, Centillion, S K HUF, Famous, SSCSL, Economy, Embassy, Accolade, Golden, Parnami, Ashu, Parveen, PFIPL, Rolex, M K N Commodity, Nitin HUF, K K HUF, Mudit HUF, M K HUF, Sanjay, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Savita, Santosh, Shivdarshan, Laxmi, Radhu and Vimgi, created misleading

appearance of trading and manipulated the price of the scrip by contributing to the price rise and hence violated Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

23. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under Section 15HA of the SEBI Act.

24. The SCN was served to the Noticees by email on July 21, 2020. Vide letter dated December 8, 2020, Noticee filed its reply.

25. The key submissions of the Noticee are reproduced as below:

- a) Noticee strongly denies the alleged violation of provisions of Section 12A(a),(b),(c) of SEBI Act, 1992 r/ w Regulations 3(a), 3(b), 3(c), 3(d), 4(1) ,4(2)(a), (e) of the PFUTP Regulations, while transacting in the scrip of "the PMC " during the investigation period. The Noticee further denies the alleged connection with other co noticees, as alleged, more specifically either with the promoter entity group of the company, PMC, or any other group (Raghav Behl group). Further, it is intensely and humbly stated that noticee has not transferred/ received funds from the other co-noticees, except for the payment made to 4 co-noticees against the bonafide purchase of scrip in off market mode on behalf of clients. It is further clarified that there has been no instance of any personal loan or reversal of funds or any accommodation entry etc. by the Noticee with even a single co-noticee.
- b) Since the SCN has been issued to all the mentioned entities, in common, including the Noticee, and the allegations too are commonly levied on all the Noticees, it is almost practically impossible to comment/clarify on the transactions and inference of other Co-Noticees' trading pattern or their intention or their involvement or not the involvement.
- c) Noticee vehemently submits even SCN categorically, apart from Noticee's bonafide transactions in the said scrip, does not alleges

Noticee or mentions its name on many allegations such as but not limited to; Promoter group insider trading, Price rigging, funds transferred from company, ITD's reply reference, client concentration volumes etc etc.

- d) There is no such acts and omissions on the part of Noticee in the present matter which constitute to primary allegation of having funds exchanged/ transferred/ received from company or its promoters or Other co-noticee(s) by the Noticee. The fact of the matter is that there had been not even a single instance of such movement of funds, at any point of time, either during IP or even beyond IP between the Noticee or other co-noticees, except for the payment made to 4 co-noticees against the bonafide purchase of scrip in off market mode on behalf of our clients. Hence, requiring no further comments from Noticee.
- e) The Noticee further submits that he does not even know other CoNoticees, except the four entities with which the Noticee, on behalf of its clients, has transacted for shares of PMC in off market mode. Thus, the Noticee had never been connected or alleged to be related party with such other Co Noticee(s), as wrongly allegedly in SCN.
- f) It is further submitted that there is no such acts and omissions on the part of Noticee in the present matter which constitute to artificial appearance of trades or insider trading, thereby creating artificial volume and manipulating the price of the scrip under the SEBI Act, and the PFUTP Regulations, 2003, as alleged. The noticee has dealt on behalf of its clients. Hence the role of the Noticee, while acting on behalf of its clients, is bonafide, as far as Noticee's name figures in top ten brokers in volumes. Moreover, any allegations w.r.t to inference derived out of broker's concentration in volumes such as artificial appearance of trades or of any other nature (related to transactions or trades) should be levied only if the noticee's entire conduct is found to be illegitimate or with malafide intention, which in the present case is not there. Thus the allegations against noticee, may kindly be quashed.
- g) No funds transfer with Company or promoter group entities or even another dominant group namely Rahav Behl group. It is once again

categorically denied that Noticee had ever received or transferred funds from other co-noticees or promoter of company as the noticee had no relation/connection with them, except as earlier clarified in point above of our reply.

- h) Absence of Connection with either the promoters of PMC or other buyers/seller(s) of said scrip in market. It is further submitted that the Notice proceeds on levying allegations of being connected with other(s), whereas there has been no evidence of any connection of the Noticee with either the promoters of PMC or with other buyer/seller(s). It is further submitted that even SCN has not provided any evidence of Noticee being involved in any matching of trades or synchronization of trades, hence requiring no further comments.
- i) The notice further mentions that noticee shared common mobile no. with M/S Sanjay Bansal & Sons HUF Ltd and further notice proceeded with assumption/hypothesis that, Noticee is primarily involved in various allegations such as artificial rise in price, creating misleading appearance of trading and manipulated the price of the scrip, artificial concentration of broker volume, concentration of client volume pushing the price up of "the PMC" Company or entering in any unfair trade practice, during investigation period. However, in the present case the notice does not provide even an iota of evidence/ material, on the basis of which any of the allegations such as artificial rise in price, concentration of client volume, pushing the price up of "the PMC" or entering in any unfair trade practice relationship or connection can be established. The fact of the present matter is that Mr. Sanjay Bansal (karta of Sanjay Bansal & Sons HUF) is merely an employee of KK Securities Ltd and Mr. Sanjay Bansal's mobile no. might have been captured in Exchange UCC as KK Securities contact number (during initial uploading of KK Securities KYC details). But by no stretch of imagination this can relate to allegation, more particularly in the light of the glaring fact the even Sanjay Bansal & Sons HUF (client of Noticee) had transacted only in 0.03% (10800 quantity) of the total volume in said

scrip during IP ( to be precise out of 39273917 shares. The notice itself mentions that noticee has transacted only in 0.04% volume (buy side 3000 sale side 17600, net qty 14600) out of 39273917 quantity of shares traded The Noticee further humbly states that Sanjay Bansal & Sons HUF (another conoticee) had transacted only on one date i.e 31.12.2013 during entire IP spread over more than three years.

- j) It is further humbly clarified that Noticee has never held any beneficial interest, by way of partnership or Directorship or in any other manner, in any of the other Co-noticees.
- k) It is further submitted that, in order to establish charges of fraudulent trading or violation of PFUTP Regulations, it is set principle of law that the parties to these trades should have colluded amongst themselves. In this context your attention is invited to the judgment rendered by the Hon'ble Securities Appellate Tribunal in the matter of M/S. Jagruti Securities Ltd vs. Securities Exchange Board of India has clearly held that:

*"Artificial price, is a price determined by the buyer and the seller in a premeditated manner through collusion by manipulating the system. Black's Law Dictionary defines the word 'artificial' as "Made or produced by a human or human intervention rather than by nature" If we substitute the word 'trading system'for nature in this definition, it becomes clear that an artificial trade/price is the one that is executed or determined by human manipulation rather than through the operation of the system. As at present advised, we are of the view that in an artificial trade there has to be collusion between the buyer and the seller and in absence of any collusion, the trade cannot be termed as artificial."*

- l) Further, the Hon'ble Securities Appellate Tribunal in the matter of *Vikas Ganeshmal Bengani V. SEBI, Appeal No. 225/09 Order dated February 25, 2010* wherein the Hon'ble Tribunal followed and relied on the principle laid down in the case of *'Jagruti Securities V. SEBI'* and held that *in order to establish the charge of synchronisation or creating*

*artificial impression of trade happening, collusion between the buyer and seller is necessary.*

m) Furthermore, in the judgement of *Vintel Securities Pvt. Ltd V. SEBI, Appeal No. 219/2009 order dated November 23, 2009* the Hon'ble Tribunal observed that :-

*...“serious charge of fraudulent and unfair trade practice has been established against the trades the appellant without dealing with the trades executed by it. The adjudicating officer has given no reason whatsoever in support of his conclusion. He has found the Appellant guilty...without showing as to how it was acting in tandem with others. This is not the way in which such charges are established. It is not enough to say that that appellant is guilty of charge. The impugned order must show how the charge stands established. The least that was required was that the adjudicating officer should have dealt with the trades executed by the Appellant and demonstrated as to how the scrip in question was manipulated and the role which the Appellant played in the manipulation. It is not in dispute that it was only the appellant but several other entities were also involved in the manipulation. In absence of any specific finding in regard to the manner in which the Appellant traded in the scrip in question we cannot uphold the impugned order. Consequently the same is set aside...”*

n) From the above authorities, it is crystal clear that the present notice has failed to establish any connection of noticee's action with any of the other entities. Rather the role of each noticee or entities should have been dealt separately and a well established connection needs to be satisfied before levying such charges, which are completely based on assumptions and presumptions. The role of noticee has not been clearly established with other noticees. Only on the basis of, inadvertently uploaded employee mobile no. in its KYC details and doing off market transaction, that too on behalf of its clients, noticee has been arrayed as acted in collusion with other noticees.

- o) Further, noticee is neither known or related or connected with promoter of the said scrip PMC. Noticee has not entered in any funds transfer or movement with the other alleged notices. Noticee being a non individual entity, and its employee mobile number was uploaded as entity's contact details and noticee is alleged to be related to it.
- p) No synchronisation, collusion between noticee and other noticees had taken place and further noticee is not aware of other noticees' actions.
- q) The following essential elements for alleging the charge of collusion, resulting in the manipulation, entering in unfair trade practice, needs to be established;
- i. Specific role of the noticee in playing manipulation.
  - ii. Direct and Material connection between the notice and other alleged entities of the scrip.
  - iii. Establishment of malafide intention for a wrongful gain.
  - iv. Establishment of actual wrongful loss made to others or in markets, which is a sine qua non.
- r) By above analysis of the position, in the given alleged set of facts, the Noticee humbly submits that none of the above test/parameters have been established /found or even indicated against the noticee.
- s) It was alleged that, during the Investigation period the price of the scrip of PMC was increased by more than 2525% i.e. from Rs. 34.85 to Rs. 880.00. Whereas there is absolutely no role of noticee in said increase in price, as noticee has traded only in 0.04% of the total traded volume in the scrip during IP (other than on behalf of its clients). The noticee has failed to consider the fact that noticee has no role in the price movement as noticee was acting only on behalf of its clients. It is humbly submitted that there has been no allegation of matching of any trade by noticee with other noticee(s). Further, the price in the scrip of the PMC had moved substantially upward, even before and/or after Noticee transacted for its clients/ self. The above clearly shows the innocent intent of the Noticee that it was only acting on behalf of its clients and



Noticee had never ever any intention to distort or manipulate the price of the scrip of PMC.

- t) Thus, accordingly noticee had placed orders, on behalf of clients, under bonafide intention and as such no evidence to the contrary showing malafide in such action, is present in the given set of facts, in which the transaction have occurred.
- u) Hence, no negative inference should be drawn against the Noticee, on the basis of aforesaid submission without attributing any role in alleged manipulation and especially without there being any unlawful loss to others or wrongful gains to ourself.
- v) Further, in this context with regard to the nature of evidence required to sustain the charge of manipulative trades, your goodself's attention is also invited to the Ad-interim Ex parte Order dated October 22, 2001 of Hon'ble Securities Appellate Tribunal in the case of Sterlite Industries Limited vs SEBI (2001)34 SCL 485 (SAT Mumbai)

*"In this context it is to be noted that Chairman holding the Appellant guilty of indulging in price manipulation has stated that "creation of false market and price manipulation is a very serious offence". Evidence merely probabalising and endeavouring to prove the fact on the basis of preponderance of probability is not sufficient to establish such a serious offence of market manipulation. When such a serious offence is investigated and the charge is established, the fall out of the same is multifarious. The impact of such an adverse finding is wide, especially in the case of a large public company having large number of investors. The stigma sticks and it also hurts, not the company alone, but its shareholders as well. "Not all the King's horses and all the King's men ti can ever salvage the situation. Mere conjunctures and surmises are not adequate to hold a person guilty of such a serious offence.*

- w) The ratio of the case Mohan Singh v Bhanwarlal (AIR 1964 SC 1366), is applicable to the present matter in which it has been stated,  
*"The onus of establishing a corrupt practice is undoubtedly on the person who sets it up, and the onus is not discharged on proof of mere*

*preponderance of probability as in the Trial of a Civil Suit; the corrupt practice must be established beyond reasonable doubt by evidence which is clear and unambiguous"*

- x) It is submitted that above case laws make it quite clear that merely because orders, on behalf of clients, are put at prevalent market price that would not ipso facto attract the charges of manipulation or unfair trade practice, more particularly when the same is based solely on assumptions and presumptions.
- y) Noticee is a bonafide entity and engaged only in bonafide trading practices, on behalf of its clients, with the intention of performing its duties as broker and earning a brokerage income. The practice undertaken by Noticee is similar to that of any other rational entity.
- z) Therefore in the light of the aforesaid, it is submitted that, the allegations in the Notice under reply are baseless, sweeping & vague, unsubstantiated, misconceived and based on assumptions & presumptions and thus are completely contrary to the factual position on record.

26. An opportunity of hearing was provided to the Noticee on December 11, 2020 vide notice dated November 26, 2020 through video conferencing. Hearing on December 11, 2020 was attended by Noticee Authorised Representative (AR) – Mr. Mukesh Rustagi and Mr. Prabodh Gupta, who reiterated the submissions made in their reply dated December 8, 2020.

27. As the inquiry in the matter has been completed, I now proceed to decide the case on the basis of SCN issued, replies made by the Noticee and material available on record.

## **CONSIDERATION OF ISSUES AND FINDINGS**

28. The issues that arise for consideration in the instant matter are:

**Issue No. I** Whether Noticee is in violation of Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?

**Issue No. II** If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HA of the SEBI Act?

**Issue No. III** If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

**Issue No. I** **Whether Noticee is in violation of Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?**

29. The allegation against the Noticee is based on the connection of Noticee established with Sanjay Bansal and Sons HUF through sharing the same mobile no. viz; 9811168570, and with Seabird Distributors Pvt Ltd. through off-market transactions. Noticee on September 26, 2012 sold 50 shares to Seabird Retails Pvt. Ltd. for Rs. 513.5, on September 27, 2012 sold 40 shares to Seabird Vincon Pvt. Ltd. for Rs. 514 and on January 3, 2014 has sold 290 shares to Rolex Vinimay Private Limited for Rs. 424 through market transactions. These trades with connected entities contributed to positive LTP.

30. I have perused the detailed submissions made by the Noticee and examined the trade log in the context of the submissions. When examining the trades of the Noticee, following is noted:

**Patch 1 - 29/03/2012 to 06/02/2013**

31. Patch 1 from 29/03/2012 to 06/02/2013 was a price rise period where price moved from Rs.315 to a high of Rs.585 and closed at Rs.499.65. During this period, Noticee engaged in 103 sell trades on 2 days i.e. September 26 and 27, 2012 and sold a total of 10,000 shares. 99 of these trades did not contribute to any LTP. One trade with an unrelated party contributed to negative LTP of

Rs.0.25. 3 trades contributed to positive LTP of Rs.0.50 each. 2 of these trades were with connected entities Seabird Retail and Seabird Vincon.

32. Noticee in its submissions has denied any connection with Seabird Retail and Seabird Vincon and stated that it had purchased some shares off-market for its clients with 4 co-noticees. Noticee has also stated that there is no evidence of any collusion between the Noticees and the 2 counterparties.

33. Based on the trading pattern of the Noticee of selling a total of 10,000 shares on just 2 days in Patch 1, of which only 2 trades matching with allegedly connected counterparties for a total 90 shares caused a positive LTP of Rs.1.00, I am inclined to accept the submissions of the Noticee that the trading pattern does not point towards collusion with these 2 counterparties. It is also pertinent that of the total 50 trades with these 2 counterparties, only 2 trades resulted in LTP contribution of Rs.0.50 each. The details of the counterparties to Noticees trades along with number of trades and LTP contribution is reproduced below for reference:

Sl. No.	Buyer	Total Quantity Sold	Total Trades	LTP_RATE
1	Anitha Sathyamurthy	2025	2	0
2	Ankit Agarwal	536	1	0.5
3	Economy Suppliers Private Limited	100	4	0
4	Embassy Sales Private Limited	140	4	0
5	Golden Chariot Recreations Private Limited	3851	23	-0.25
6	Seabird Distributors Private Limited	800	19	0
7	Seabird Retails Private Limited	1733	35	0.5
8	Seabird Vincon Private Limited	815	15	0.5
Total		10000	103	1.25

34. The impugned 2 trades are sale on September 26, 2012 of 50 shares to Seabird Retails Pvt. Ltd. at Rs. 513.5 and sale on September 27, 2012 of 40 shares to Seabird Vincon Pvt. Ltd. for Rs. 514.

35. The price of PMC on September 26, 2012 opened at Rs. 512 and closed at Rs.513.35. On September 27, 2012 opened at Rs. 512.1 and closed at Rs.514 and Noticee LTP contributing trades matched at Rs.514. Considering the total price increase during this period of Rs.184.65 (from Rs.315 to Rs.499.65), I find

merit in the submission of the Noticee that a contribution of Rs.1.0 to positive LTP through 2 trades cannot lead to price manipulation.

36. Hence, considering the pattern of trading by the Noticee, which is primarily sale of shares leading to Zero LTP contribution during the price rise period, I am inclined to accept the contention of the Noticee that the 2 sell trades on September 26, 2012 and September 27, 2012 for contributing Rs. 1 cannot manipulate the market or reflect any pattern or any collusion or manipulation.

### Patch 3 - 20/03/2013 to 12/03/2014

37. Patch 3 from 20/03/2013 to 12/03/2014 was a price rise period where the price went up from Rs.103 to Rs.807.75. During this period, Noticee engaged in buy and sell trades which contributed to LTP as follows:

Trade	Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Buy Trade	K K Securities Ltd	-6	3000	6	1.40	1000	2	-7.40	500	1	1500	3	0.02
Sell Trade	K K Securities Ltd	-0.7	7600	70	0.3	515	2	-1	100	1	6985	67	0.00
Total of Mkt		704.75	6186257	62187	7735.85	397456	4203	7031.10	464560	3885	5324241	54099	100

38. The details of 6 buy trades on 1 trading day and 70 sell trades on 3 trading days during the period – May 6, 2013 to January 6, 2014 are as given below:-

Sl. No.	Date of transaction	Total Quantity Purchased	Total Trades	LTP_RATE	Date of Transaction	Total Quantity Sold	Total Trades	LTP_RATE
1	06/05/2013	3000	6	-6	06/11/2013	600	12	0
2	03/01/2014	0	0	0	03/01/2014	3000	24	0.05
3	06/01/2014	0	0	0	06/01/2014	4000	34	-0.75
Total		3000	6	-6	Total	7600	70	-0.7

39. The counter parties to the Noticees 6 buy trades are given below:-

Sl. No.	Seller	Total Quantity Sold	Total Trades	LTP_RATE
1	Lalit Pahuja HUF	500	1	0
2	Prashant Narang HUF	500	1	0.4
3	Raj Pal Narang HUF	500	1	1
4	Rajiv Pahuja HUF	500	1	0
5	Sudarshan Narula	500	1	-7.4
6	VRL Traders Private Limited	500	1	0
Total		3000	6	-6

40. The counter parties to the Noticees 70 sell trades are given below:-

Sl. No.	Buyer	Total Quantity Sold	Total Trades	LTP_RATE
1	Alok Maheshwari	2000	10	0.25
2	Embassy Sales Private Limited	234	5	0
3	Famous Investment Consultants Private Limited	1460	10	0
4	Jageshwar Prasad Agarwal	200	3	0
5	Rolex Vinimay Private Limited	3137	31	-0.95
6	Seabird Distributors Private Limited	150	2	0
7	Seabird Retails Private Limited	135	3	0
8	Seabird Vincon Private Limited	231	4	0
9	Suresh Bansal	50	1	0
10	Surinder Kumar	3	1	0
Total		7600	70	-0.7

41. From the above, I note that the net LTP contribution by the Noticee 6 buy trades is negative Rs.6 and the 70 sell trades of the Noticee have a net LTP contribution is negative Rs.0.70. Therefore the net LTP contributed by the Noticee based on all his trades is negative Rs.6.70 during a price rise patch.

42. Here I note that the SCN has not referred to the negative LTP contribution of the buy trades of Noticee at all. The allegation against the Noticee is based on positive LTP contribution caused by 1 trade of the Noticee on 03/01/14 for sale of 290 shares to Rolex Vinimay Private Limited for Rs. 424. This trade contributed Rs.0.05 to LTP.

43. Considering the pattern of trading by the Noticee, which is primarily sale of shares leading to negative LTP contribution of Rs 6.70, I am inclined to accept the contention of the Noticee that the 1 sell trade on 03/01/14 for contributing

Rs. 0.05 cannot manipulate the market or reflect any pattern or any collusion or manipulation.

44. In view of the above, I find that the allegation levelled against Noticee regarding violation of Section 12A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations does not stand established.

45. Therefore, issues II and III do not merit consideration.

### **ORDER**

46. In view of the findings noted in the preceding paragraphs, the adjudication proceeding initiated against the Noticees i.e. K K Securities Ltd vide SCN dated July 21, 2020 are disposed of.

47. Copy of this Adjudication Order is being sent to the Noticee and also to SEBI in terms of Rule 6 of the Adjudication Rules.

**DATE: JANUARY 5, 2021**

**PLACE: MUMBAI**

**MANINDER CHEEMA**

**ADJUDICATING OFFICER**