

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/MC/VS/2021-22/14853]

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

Rajesh Agarwal (PAN AMXPA5214B) having address at H No. A 8 Near Siddheshwari Temple, Radhaswaminagar, Bhatagoan Chowk, Raipur, Chhattisgarh - 492001

in the matter of Vani Commercials Ltd.

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1. Securities and Exchange Board of India (hereinafter be referred to as, the “**SEBI**”) passed adjudication order no. Order/MC/VS/2020-21/8762-8775 dated August 27, 2020 *inter alia* levying a penalty of Rs. 5,00,000/- on Rajesh Agarwal (PAN AMXPA5214B) (hereinafter referred to as “**original Noticee**”) under Section 15HA of the SEBI Act, 1992, for violation of Section 12A (a), (b) and (c) and of Regulations 3 (a), (b), (c) and (d), as well as 4 (1), (2) (a), (e) and (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (hereinafter referred to as “**the PFUTP Regulations**”) while trading in the scrip of Vani Commercials Ltd. (“**VCL**” or “**the Company**”) during the “investigation period” or the “relevant period” between May 26, 2017 and October 30, 2017.
 2. The Hon’ble Securities Appellate Tribunal (“**SAT**”) vide order dated 22.12.2021 in Appeal No. 427 of 2020 in the matter of Rajesh Agarwal v. SEBI, remitted the

matter to the undersigned for fresh consideration and for passing an order in respect of Rajesh Agarwal ("**the Appellant Noticee**"), the appellant before the SAT, who has the same PAN as the original Noticee but a different Driving License No. with certain other differences recorded by the Hon'ble SAT in respect of the identification documents of the original Noticee and the Appellant Noticee, within six months from the date of the order. The Hon'ble SAT also directed the appellant to appear before the undersigned on January 5, 2022.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer *vide* Order dated January 4, 2022 to inquire into and adjudge under Section 15HA of the SEBI Act, the aforesaid matter.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice No. EAD5/MC/VS/29776/2019 dated November 11, 2019 (hereinafter be referred to as, the '**SCN**') was served upon the original Noticee under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to show cause as to why an inquiry should not be held and penalty be not imposed against the Noticee under Section 15HA of SEBI Act for the aforesaid alleged violations.
5. E-mail ids. and addresses of the original Noticee were obtained from the depositories NSDL and CDSL on the basis of PAN as unique identifier. The SCN was served upon two of the e-mail ids. of the original Noticee, viz. *rajeshagarwal1919@gmail.com* and *agrwlrjsh@gmail.com* on 11.11.2019, while e-mail sent to a third e-mail id. (*rajesh.agarwal@tcifrieight.in*) stated to belong to this PAN as per the records of the depositories bounced back as undeliverable.

Further, as per records obtained from the website of India Post, a physical copy of the SCN was delivered to the address “H. No. A 8, Near Siddheswari Temple, Radhswaninagar, Bhatagon Chowk, Raipur, Chhatisgarh-492001” provided by the depositories. A copy of the SCN sent to the other physical address attributed to the PAN of the original Noticee as per records of the depositories – “204, La Citadel Flat 30 Nutan Bharat Society Alkapuri Vadodara, Gujarat” returned undelivered with the comments “door locked” and “insufficient address”. Thus, the SCN was successfully served upon one physical address as well as two e-mail id’s attributed to the PAN of the original Noticee.

6. Vide e-mail dated 27.11.2019, a reply was received from Rajesh Agarwal from an e-mail id. viz. *r.agarwal7176@gmail.com* stating that he was a resident of “601, Aditya ‘A’, Cosmos Heritage, Manpada, GB Road, Thane-400610”, and submitting that the address “204 LA citadel Flat no, 30 Nutan Bharat Soc Alkapuri Vadodara” and the e-mail id’s *rajeshagarwal1919@gmail.com*, *agrlrjsh@gmail.com* mentioned in the SCN did not belong to him and were not known to him. It was further submitted that all the other 13 persons/Noticees/Group Entities mentioned in the SCN were not known to him nor was he familiar with them. The Noticee/Appellant also stated that the mobile numbers mentioned as a basis of connection with other group entities were not known to him and he was not familiar with them, and he never had any mobile number “7383913574”. The Noticee also submitted that he had never ever traded in any type of securities related to VCL, and that he had not carried out any trades on the dates alleged in the SCN. Noticee also submitted his demat account statement (“equity trade report”) for FY 2017-18 as obtained from HDFC Securities, which did not contain any details of the impugned trades. It was submitted that the SCN had been issued to him on mistaken facts.
7. In order to confirm details of any other trading accounts or demat accounts of the Noticee and to enable re-verification of all his addresses and phone numbers, the

Appellant Noticee was asked to confirm his PAN. The Noticee was also asked to confirm the date and mode of receipt of the SCN by him. However, no response was received from the Appellant Noticee.

8. Further, vide e-mail dated 06.07.2020, a hearing notice was served upon three e-mail id's of the original Noticee as per records of NSDL and CDSL and as obtained from the reply of the Noticee— *r.agarwal7176@gmail.com*, *rajeshagarwal1919@gmail.com* and *agrwlrjsh@gmail.com*, providing an opportunity of hearing to the original Noticee on 28.07.2020 by videoconferencing. Confirmation was also sought on 28.07.2020 vide e-mail whether the Noticee will be availing the opportunity of hearing. However, the Noticee did not respond to the e-mails, and did not avail the opportunity of hearing.
9. In the absence of the required confirmation from the Noticee, vide e-mail dated 14.08.2020, HDFC Securities was requested to forward PAN and KYC details for entity ID:2180785 obtained from the demat account statement forwarded by the Noticee through his e-mail dated 27.11.2019. Upon observing that PAN and date of birth were those on record for the original Noticee, and in the absence of any further response from the Noticee/Appellant, the matter was proceeded with on the basis of the KYC documents available with the undersigned. Since the PAN and date of birth on official records such as PAN card copy, driving license and KYC forms were the same for the original Noticee and the Appellant Noticee, an assumption was made, in the absence of any further inputs from the Noticee, that they were the same person. Accordingly, order dated 27.08.2020 was passed levying a penalty of Rs. 5,00,000/- on the original Noticee with PAN AMXPA5214B.
10. I note that on the basis of documents submitted to the SAT by SEBI as well as the Appellant Noticee, the Hon'ble SAT has remitted the matter to the undersigned for fresh consideration after hearing the Noticee.

11. The Authorised Representative of the Appellant Noticee, Advocate Mr. Amit Kakri, appeared before the undersigned on 05.01.2022 and submitted the following:-
- a) The demat account with Beeline Broking through which trades impugned in the SCN took place did not belong to the Noticee, and that the Noticee has no connection with Gujarat, unlike the other 13 Noticees in the matter.
 - b) The mobile number shown for the connection did not belong to the Noticee. Further, the email address and the alleged address in Gujarat was not his.
 - c) Noticee is presently residing in Thane having permanent address at Raipur in Chattisgarh, and has no friends, acquaintances in Gujarat and had never even visited Gujarat in all these years.
 - d) Noticee for the first time became aware that a Demat account had been opened in his name with Beeline Broking Limited upon receipt of the impugned order dated 27.08.2020 which recorded this fact.
 - e) Aggrieved by the adjudication order dated 27.08.2020 passed by the learned AO, the Noticee preferred Appeal 427/2020 before the Hon'ble Securities Appellate Tribunal (SAT).
 - f) Hon'ble SAT at the hearing of the Stay Application on 08.12.2020 had directed the respondent SEBI to file the documents relied upon.
 - g) In reply to the aforesaid Appeal, the respondent SEBI filed two different sets of KYC documents obtained from the depositories, that is one set from HDFC Securities (the broker of Noticee 2) and the other from Beeline Broking and the same presented before SAT showed that there were contradictions in the photographs and other particulars of the Noticee. It was submitted that the Hon'ble SAT in paragraph 4 of its order dated 22.12.2021 had prima facie observed the aforesaid contradictions in the two sets of documents that had been filed by SEBI.
 - h) The Noticee came to be aware of the proceedings when the Show Cause Notice dated 11.11.2019 was delivered to his permanent address at Raipur Chattisgarh.

- i) The Appellant could not attend the personal hearings that were scheduled in April 2020 on account of the nationwide Covid Lockdown, and was unable to attend the virtual hearings that were subsequently scheduled due to inadvertence for reasons explained in the rejoinder filed by the Noticee to the reply filed by SEBI in the proceedings before SAT.
- j) Noticee wrote to Beeline Broking vide letter dated 18.09.2020 seeking details of the account with the said broker in the name of the Noticee, but that Beeline Broking did not share any details with the Noticee.
- k) Noticee has filed police complaints alleging crimes committed against the Noticee by the said Beeline Broking Limited and by other unknown persons under IPC Sections 464, 465, 469 and Sections 66C & 66D of the IT Act, 2000 for misuse of his PAN card and other documents.
- l) The Noticee undertook to submit (i) copies of the said police complaints, (ii) copies of correspondence exchange with Beeline Broking, (iii) a clear copy of his PAN card and (iv) all relevant documents submitted before the Hon'ble SAT during proceedings in SAT Appeal No. 427 of 2020, within a week from the date of hearing.

12. Vide e-mail dated 10.01.22 a compilation of the following documents was submitted by the Noticee:-

- a) Identity Documents of Rajesh Agarwal: a. PAN Card and b. Driving Licence
- b) Correspondence with Beeline Broking Limited:
 - a. Letter by Rajesh Agarwal dated 18.09.2020 to Beeline Broking Ltd.
 - b. Email on behalf of Rajesh Agarwal dated 18.09.2020 to Beeline Broking Ltd.
 - c. Reply by Beeline Broking dated 29.09.2020 to Rajesh Agarwal
- c) Copies of police complaints filed by Rajesh Agarwal with Thane and Ahmedabad police stations

- d) Pleadings filed before the SAT in Appeal No. 427 of 2020 by the Noticee as well as SEBI
- e) Copies of orders passed by the Hon'ble SAT in Appeal No. 427 of 2020

13. In another hearing requested and granted on 19.01.22, the Authorised Representative of the Noticee reiterated the written submissions made by the Noticee in its rejoinder affidavit during the SAT proceedings, and also referred to documents filed by SEBI in its affidavit in reply before SAT. The AR undertook to submit a copy of Aadhaar card of the present Noticee by 24.01.2022, and to confirm whether his PAN was linked to his Aadhaar.

14. Vide e-mail dated 22.01.22, the AR of the Noticee submitted a copy of the Aadhaar Card for verification as an additional identity document apart from PAN card and driving licence, and confirmed that the Aadhaar of the Noticee was linked to his income-tax PAN. A request was also made for non-disclosure of the Aadhaar number of the Noticee in the interest of maintaining confidentiality and privacy (since orders passed by the learned Adjudication Officer are public documents).

15. In the light of the above factual context, the submissions and documents filed before me, I now proceed to decide the case on the basis of material on record.

CONSIDERATION OF ISSUES

16. The issue arising for consideration in the instant proceedings before me is whether the Appellant Noticee is a person different from the original Noticee to which the SCN was issued and against whom the order dated 27.08.2020 would be applicable. The Noticee has additionally stated that his phone number is not 7383913574 which connected the original Noticee with the connected entities. Consequently, establishing the identity of the person against whom the order dated 27.08.2020 would be applicable is essential.

17. I note that during the adjudication proceedings conducted in respect of 14 entities including the original Noticee, the SCN, Hearing Notices and order were served on the address of the original Noticee as noted from KYC documentation and details obtained from CDSL and NSDL in respect of the Noticees, including the Appellant Noticee. The particulars of the Noticee as available in the SCN are as follows:

*Rajesh Agarwal
(PAN AMXPA5214B)
H No. A 8 Near Siddheshwari
Temple, Radhswaminagar,
Bhatagoan Chowk,
Raipur,
Chhattisgarh -492001
and
204 La Citadel Flat 30 Nutan
Bharat Soc Alkapuri Vadodara,
Gujarat
E-mail:-
rajeshagarwal1919@gmail.com;
rajesh.agarwal@tcifreight.in;
agrwlrjsh@gmail.com*

18. I note from the trade log that the original Noticee had traded through the broker Beeline Broking Ltd. The material on record contained 2 sets of addresses for the person with name Rakesh Agarwal and PAN AMXPA5214B – one of Raipur Chhattisgarh and the other of Vadodara Gujarat. I also note that SCN and Hearing Notice was served on the email ids rajeshagarwal1919@gmail.com and agrwlrjsh@gmail.com belonging to the original Noticee. However, no response was received from these email-ids or otherwise from the original Noticee.

19. During the appellate proceedings before the Hon'ble SAT, certain documents were sought from Beeline Broking Ltd., the broker of the original Noticee who executed the impugned trades. These documents have been produced by the Appellant Noticee before me as part of the papers filed before the Hon'ble SAT by SEBI in Exhibit-D of its affidavit-in-reply.

20. In all, the Appellant Noticee has produced 4 sets of KYC documents before me including those filed before the SAT – (1) KYC documents of Rajesh Agarwal (PAN AMXPA5214B) received from CDSL(R.K. Stockholding) (2) KYC data for Rajesh Agarwal (PAN AMXPA5214B) received from NSDL (3) KYC documents of Rajesh Agarwal (PAN AMXPA5214B) obtained from Beeline Broking Ltd. (4) KYC documents of Rajesh Agarwal (PAN AMXPA5214B) obtained from HDFC Securities Ltd.

21. Upon perusal of the of the abovementioned sets of KYC documents and data, I note the following:-

- a) Date of birth of Rajesh Agarwal (PAN AMXPA5214B) viz. 19.02.1971 and father's name (Radheshyam Agarwal) are the same across all sets of documents.
- b) The KYC form of R.K. Stockholding (P) Ltd. in respect of Rajesh Agarwal (PAN AMXPA5214B) as obtained from CDSL mentions his phone no. as "7383913574", which connected the original Noticee with a group entity namely Dilip Sheth, Noticee 8 in the SCN, who was also party to the adjudication proceedings leading to order dated 27.08.2020. The address of original Noticee is that of Vadodara, Gujarat.
- c) Driving License no. is give as address proof in the KYC form having number GJ062011008547. The signatures on the PAN card and driving license of Rajesh Agarwal in the RK Stockholding's KYC documents are identical, but different from the signature available on the rest of KYC forms.
- d) The KYC documents obtained from Beeline Broking bring to light similar discrepancies. The signature of Rajesh Agarwal (PAN AMXPA5214B) on the copies of the PAN card and the driving license look identical, but are different from the signatures on the other pages of the KYC form, including the self-attestation on the copies of PAN and Driving Licence. Also, signature on cancelled cheque copy is different from the self-

attestation on the copy. Further, the photo on driving license is different photo on PAN card.

- e) Driving License No. and other details of Rajesh Agarwal (PAN AMXPA5214B) in the KYC documents of Beeline Broking are the same as the Driving License details in the KYC documents of RK Stockholding.
- f) The mobile number (7383913459) provided by Rajesh Agarwal (PAN AMXPA5214B) to Beeline Broking is the one which connected Rajesh Agarwal (PAN AMXPA5214B), the original Noticee, to Pattammal Murlidharan, a group entity and Noticee 7 in the SCN issued in the matter.
- g) In the KYC form of HDFC Securities, the signatures of the applicant Rajesh Agarwal (PAN AMXPA5214B) are uniform across the form, the driving license copy, PAN card copy, and attestation signatures. However these signatures are different from the signatures of Rajesh Agarwal (PAN AMXPA5214B) on the KYC forms of RK Stockholding and Beeline Broking.
- h) Further, the photograph of the person on the driving license copy and PAN card copy of Rajesh Agarwal (PAN AMXPA5214B) in the KYC documents of HDFC Securities is different from the photographs of Rajesh Agarwal (PAN AMXPA5214B) on the KYC documents of RK Stockholding and Beeline Broking.
- i) Further the driving license no. of Rajesh Agarwal (PAN AMXPA5214B) in the KYC documents of HDFC Securities is CG0420130923140, which is different from the DL No. for Rajesh Agarwal in the KYC documents of the other two brokers of the original Noticee, having the Raipur, Chhatisgarh address.

22. On a perusal of the documents presented by the Noticee, it is evident that there are irregularities in the account opening forms of RK Stockholding and Beeline

Broking. Therefore, the depository participants and the brokers may enquire into the genuineness of the said documents and signatures of the original Noticee/Rajesh Agarwal (PAN AMXPA5214B) who had trading accounts with RK Stockholding and Beeline Broking, and initiate appropriate action in respect of operation of the non-genuine accounts.

23. The Appellant Noticee has stated that he is a senior employee of the Transport Corporation of India ("TCI") which has address at 807, 8th floor, Windfall Tower, Sahar Plaza Complex, JB Nagar, Andheri east, Mumbai -400059, and he has only one demat account with HDFC Securities which he opened only to avail of employee stock options offered to him as a senior employee of TCI.

24. Based on the submissions of the Noticee, it is seen that Rajesh Agarwal (PAN AMXPA5214B, Driving Licence No. GJ062011008547 and address "204, La Citadel Flat 30 Nutan Bharat Society Alkapuri Vadodara, Gujarat") was the person charged with violation of the PFUTP Regulations for trades impugned in the SCN. However, the Noticee who appealed the order dated 27.08.2020 had the same PAN AMXPA5214B but different Driving Licence No. CG0420130923140 and addresses – "H. No. A 8, Near Siddheswari Temple, Radhswaminagar, Bhatagaon Chowk, Raipur, Chhatisgarh-492001" and "601, Aditya 'A', Cosmos Heritage, Manpada, GB Road, Thane-40061".

25. I also take note of the submissions made by the Appellant Noticee during the hearing on 05.01.22 and in his reply that it appears that a computer resource has been used to impersonate the Noticee and use his PAN and other details to open and operate fraudulent demat and trading accounts with Beeline Broking and RK Stockholding. In support of this contention, the Noticee submitted that the Bandhan Co-operative Bank account cancelled cheques enclosed with the KYC application forms of the original Noticee do not pertain to the Noticee, and the Noticee has no such bank account. In this regard, I note that the Appellant Noticee has stated that he has filed police complaint dated 13.12.2020 against Beeline Broking,

Ahmedabad with the Chitalsar Manpada Police Station alleging offences under Section 464, 465 and 469 of the IPC, 1860 read with Sections 66C and D of the Information Technology Act, 2000 for misuse/fabrication/forgery of identity documents against Beeline Broking Ltd, Ahmedabad, its officials and unknown persons. An identical police complaint dated 29.12.2020 has been filed by the Noticee with the Navrangpura Police Station, Ahmedabad. Further, the Appellant Noticee has clarified that his Adhaar is linked with his PAN, thus enabling verification of genuineness of his PAN card and trading and demat accounts, and connecting his details with another unique identifier (Aadhaar).

26. In view of the above, I find that the Appellant Noticee who appeared for the hearing during adjudication proceedings leading to passing of adjudication order dated 27.08.2020 and appealed against it before the Hon'ble SAT is not the same person as the original Noticee who carried out the impugned trades. Therefore, the finding in respect of trading in Vani Commercials Ltd. by the original Noticee using PAN AMXPA5214B, Driving Licence No. GJ062011008547 and address "204, La Citadel Flat 30 Nutan Bharat Society Alkapuri Vadodara, Gujarat") remains unchanged as being in violation of Section 12A (a), (b) and (c) and of Regulations 3 (a), (b), (c) and (d), as well as 4 (1), (2) (a), (e) and (g) of the SEBI PFUTP Regulations.

27. However, it is clarified that the Appellant Noticee having PAN AMXPA5214B, Driving Licence No. CG0420130923140 and addresses – "H. No. A 8, Near Siddheswari Temple, Radhswaninagar, Bhatagon Chowk, Raipur, Chhatisgarh-492001" and "601, Aditya 'A', Cosmos Heritage, Manpada, GB Road, Thane-400061", being a person different from the original Noticee, did not carry out the impugned trades and hence there is no violation alleged against him. Therefore, the said order dated 27.08.2020 is not applicable to him. Accordingly, the penalty in respect of the Appellant Noticee (PAN AMXPA5214B, Driving Licence No. CG0420130923140 and addresses – "H. No. A 8, Near Siddheswari Temple, Radhswaninagar, Bhatagon Chowk, Raipur, Chhatisgarh-492001" and "601,

Aditya 'A', Cosmos Heritage, Manpada, GB Road, Thane-40061”) who has a trading/demat account with HDFC Securities is nil.

28. In order to identify the original Noticee, information was sought in terms of Rule 4 (6) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 from the following persons:-

- a) National Securities Depository Ltd.
- b) Central Depository Services (India) Ltd.
- c) RK Stockholding Pvt. Ltd.
- d) Beeline Broking Ltd.
- e) SMC Global Securities Ltd.
- f) National Stock Exchange of India Ltd.
- g) Bombay Stock Exchange

29. In response to the above, the following inputs were received:-

- a) NSDL – Vide e-mail dated 27.01.2022, NSDL submitted that it had data in respect of 2 active beneficiary owner accounts with the said PAN (i) HDFC Bank (DP) with client id. 39725684 opened on 19.06.2014 with the Raipur address of the Noticee/Appellant (ii) Beeline Broking Ltd. (DP) with client ID 10020755, opened on 20.01.2017, with the Vadodara address of the original Noticee.
- b) CDSL – Vide e-mail dated 18.01.2022 CDSL stated that it had demat account details of Rajesh Agarwal (PAN AMXPA5214B) with beneficiary owner address at the original Noticee's Vadodara address, and also mentioning 3 depository participants based in Delhi with which the original Noticee has its demat accounts (i) CDSL managed DP – Amrapali Aadya Trading and Investment Pvt. Ltd. (ii) RK Stockholding (P) Ltd. (iii) SMC Global Securities Ltd. All three demat accounts were linked to the original Noticee's Bandhan Bank account, and the said demat accounts were active in the case of RK Stockholding and SMC Global Securities Ltd., and closed in the case of the

CDSL managed DP. CDSL's consolidated statement of demat accounts for Rajesh Agarwal (PAN AMXPA5214B) and e-mail address *agrwlrjsh@gmail.com* belonging to the original Noticee for client ID: 00168658 shows transactions in October 2017 and August 2016 pertaining to 3900 shares each of Jigyasa Infrastructure Ltd. and Kanak Krishi Implements Limited respectively. Account balance as on date is zero across all the DP accounts.

- c) RK Stockholding (P) Ltd. – Vide e-mail dated 14.01.2022 it submitted that Rajesh Agarwal (PAN AMXPA5214B) opened his trading account with the said broker on 15.09.2016, with client code NV969. He had not carried out any trade since account opening and is trading account was presently inactive in their records. Physical address of Rajesh Agrawal in RK Stockholding's records was "204-LA-Citadel Flat 30, Nutan Bharat Society, Alkapuri, Vadodara, Gujarat-390007" and contact number was "7383913574" – belonging to the original Noticee.
- d) Beeline Broking Ltd. – Vide e-mails dated 13.01.2022 it was submitted that the trading account (no. IG060013) of Rajesh Agarwal (Client ID. 10020755, PAN AMXPA5214B, Driving License No. GJ06 2011008547) was inactive since 11.01.2018. Address and phone number of the client on the records of Beeline Broking was stated to be the Vadodara address of the original Noticee, and "7383913459", belonging to the original Noticee.
- e) SMC Global Securities Ltd. – Vide e-mail dated 27.01.2022 it was submitted that the client Rajesh Agarwal (PAN AMXPA5214B) had one DP account with it, which was transferred from Amrapali Aadya Trading and Investment Pvt. Ltd. as per assignment process with CDSL. The said client had not provided account opening form and KYC details/documents, due to which his account is presently in freeze mode. As per the statement of holding for the said account (portfolio value Rs. 78000), it is noted that the said account holds 3900 equity shares of Jigyasa Infrastructure Ltd. and 3900 shares of Kanak Krishi Implements Ltd.

- f) NSE- Vide e-mail dated 20.01.22 NSE provided UCC details for Rajesh Agarwal based on PAN being AMXPA5214B. For five different client IDs, all have same PAN and date of birth, but the first 2 are described as “client not traded” and “dormant client” in the status column of the UCC details data provided by NSE. The first 3 id’s have e-mail id’s and Vadodara address of original Noticee (and with Bandhan Bank account) while the remaining 2 id’s have the email id and address of the Appellant Noticee (Bank account of HDFC Bank). Further, vide e-mail dated 24.01.22 NSE stated that “No trading activity was found for the client in F&O, CD and CO segments.” But the details for transaction in equity shares between 04.12.2014 and 28.12.2021 were enclosed in respect of the original Noticee as well as the Noticee/Appellant. The original Noticee is seen to have engaged in 1122 trades between 18.08.2016 and 11.01.2018.

30. It is evident from the above that the same PAN has been used to operate multiple trading accounts, including the one with Beeline Broking Ltd. through which the impugned manipulative trades were carried out by the original Noticee in 2017 as detailed in adjudication order dated 27.08.2020. The one genuine trading account belonging to the Appellant Noticee is not involved with the impugned trades mentioned in order dated 27.08.2020.

ORDER

31. Taking into account the aforesaid factors, I hereby clarify that order dated 27.08.2020 levying a penalty of Rs. 5,00,000/- on the original Noticee i.e. Rajesh Agarwal (having Driving Licence No. GJ062011008547 and address “204, La Citadel Flat 30 Nutan Bharat Society Alkapuri Vadodara, Gujarat”) continues to be applicable to the concerned original Noticee who traded through Beeline Broking Ltd. and who opened fraudulent trading accounts and demat accounts with Beeline

Broking, R.K Stockholding, Amarpali Aadya and SMC Global Securities Ltd. and also a fraudulent bank account with Bandhan Bank as noted above.

32. However, the order of penalty dated 27.08.2020 is not applicable to the Appellant Noticee having PAN AMXPA5214B, Driving Licence No. CG0420130923140 and addresses – “H. No. A 8, Near Siddheswari Temple, Radhswaninagar, Bhatagon Chowk, Raipur, Chhatisgarh-492001” and “601, Aditya ‘A’, Cosmos Heritage, Manpada, GB Road, Thane-40061”) who has a trading/demat account with HDFC Securities.

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

DATE: JANUARY 28, 2022
PLACE: MUMBAI

MANINDER CHEEMA
ADJUDICATING OFFICER