BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OFINDIA
ADJUDICATION ORDER NO. EAD/BJD/VS/388-398/2018-19

UNDER SECTION15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT,1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES,1995

In respect of:

1) Jayshriben Maniar (PAN No. AMYPM0994R Plot no. 2215/a, Gokul, Nr. Fulwadi Chowk, Hill Drive, Bhavnagar, Gujarat - 364002	**2) Vipul Virendrakumar Patel (PAN No. AGQPP0881N) 08, Satyam Row House, Own Asson,Opp. Sankar Apartment, Near Railway Line,Satellite Road, Ahmedabad, Gujarat 380 051.**	**3) Ashlesh Gunvanthbhai Shah (PAN No. AEOPS0718P) 16, Vasupujya Krupa, 8/7, Niyojan Nagar, Nehru Nagar, Ambawadi, Ahmedabad Gujarat - 380 015**
4) Piyush Batukbhai Dave (PAN No. AJEPD6250C) Plot No. 128 A 3, Nirmal Nagar, Kesarbaug street No.4, Bhavnagar, Gujrat – 364 001.	**5) Shweta Dhiren Agrawal (PAN No. AIZPA2160J) 13, Sharada Nagar Society, Paldi - 380 007.**	**6) Paresh Ramjibhai Chauhan (PAN No. AGEPC3489M) 10 B, Full Stop Society, Chandkheda, Ahmedabad, Gujarat – 382424**
7) Janakray Vithaldas Soni (PAN No. AFNPS8401H) D1/205, Haria Dream Park,Near Ashok Hotel,Mira Bhayandar Road, Mira Road – 401 107.	**8) Sanjay Jethalal Soni (PAN No. BVSPD9741N) 36, Malay Bunglows Near Anurag Bunglows, Science City Road, Sola Ahmedabad – 380 060.**	**9) Amul Gagabhai Desai (PAN No. AHDPD3526G) Ranujanagar, Premchand Nagar Road, Satellite, Ahmedabad – 380 015**
10) Mahesh Desai (PAN No. AMGPD0183P) Rabari Vashat Ghatlodia, Ahmedabad - 380061	**11) Firoz Hanifbhai Memon (PAN No. BRVPM0273J) 17, Bagenur Society, Behind Santiniketan School, Vejalpur, Ahmedabad - 380051**	

In the matter of Cupid Trades and Finance Ltd

BACKGROUND

1. Based on receipt of complaints from investors, an investigation was conducted into the alleged irregularities in trading in the scrip of Cupid Trades and Finance Ltd. (hereinafter referred to as the "company"/ "CTFL") and the possible violation of the provisions of the Securities and Exchange Board of India Act, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 for the period June 19, 2013 to November 05, 2013 (hereinafter referred to as the Investigation Period or 'IP').

2. It was observed that during the investigation period, the price of the scrip opened at Rs.107.35 on June 19, 2013 and closed at Rs. 149 on November 05, 2013. It reached a high of Rs.305 on October 23, 2013 and a low of Rs.105.25 on June 20, 2013. Further, a total of 20,05,518 shares were traded with an average traded volume of 21,111 shares during the investigation period.

3. **Shareholding Pattern**:

Particular	Quarter ended March 2013			Quarter ended June 2013			Quarter ended September 2013			Quarter ended December 2013			Quarter ended March 2014		
	No. of share holders	No. of Shares	%	No. of share holders	No. of Shares	%	No. of share holders	No. of Shares	%	No. of share holders	No. of shares	%	No. of share holders	No. Of Shares	%
Promoter Holding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Promoter Holding	645	960000	100	645	960000	100	670	960000	100	1551	960000	100	4719	960000	100
Total share capital	645	960000	100	645	960000	100	670	960000	100	1551	960000	100	4719	960000	100

4. From the above table, it was observed that the entire shareholding is with public and there are no identifiable promoters. The number of non-promoter shareholders increased from 645 at the end of quarter March 2013 to 1551 at the end of quarter December 2013.

5. It was observed that the following 14 entities were found to be connected with each other based on KYC details like common address, common telephone/ mobile

number, off-market transactions among themselves and fund flows based on their bank statements.

Sr. No.	Name of Entity	Connections
1	Nehaben Janakray Soni	As per KYC details, entities at sr. no.1 & 2 share common address - 106, Satyam Complex, Science City Road, Sola, Ahmedabad, Gujarat - 380060 & also share common mobile no.9426342358. As per KYC details , entities at sr. no.2 & 3 share common address - 36, Malay Bungalows, Near Anurag Bungalows, Science City Road, Sola, Ahmedabad, Gujarat - 380060.
2	Janakray Vithaldas Soni (AFNPS8401H)	
3	Sanjay Jethalal Soni (BVSPS9741N)	
4	Shweta Agrawal (AIZPA2160J)	As per bank statements, entity at sr. no.4 received funds from entity at sr. no.3 & shares common mobile no.9978344400 with entities at sr. no.2 & 3. As per KYC details, entity at sr. no.4 shares common address 13, Sharad Nagar, Nr. Vikas RUH Road, Paldi, Ahmedabad - 380007 with entity at sr. no.5. As per KYC details, entities at sr. no.3 & 6 share common mobile no.9727548290. As per KYC details, entities at sr. no.3,4,5 & 6 share common mobile no.9879430033.
5	Dhiren Dhahramdas Agrawal HUF	
6	Mahesh Desai (AMGPD0183P)	
7	Paresh Ramjibhai Chauhan (AGEPC3489M)	As per bank statements, entities at sr. no.8 & 9 received funds from entity at sr. no.7. As per KYC details, entities at sr. no. 7, 8 & 9 share common mobile no.9825071515.
8	Ashlesh Gunvantbhai Shah (AEOPS0718P)	
9	Vipul Virendra Kumar Patel (AGQPP0881N)	
10	Piyush Batukbhai Dave (AJEPD6250C)	Entity at sr. no.10 has done off-market transfer to entities at sr. no.7 & 11. As per bank statements, entities at sr. no.10 received / transferred funds from / to entity at sr. no.11. As per KYC details, entities at sr. no. 10 & 11 share common mobile no.9824450272.
11	Jayshriben Dhirendrakumar Maniar (AMYPM0994R)	
12	Amul Gagabhai Desai (AHDPD3526G)	As per KYC, entity at sr. no.6 & 12 share common mobile no.9904852495.
13	Pradeep Narendra Bhatt	As per bank statements, entities at sr. no. 13 & 14 received funds from entity at sr. no.8.
14	Firoz Hanifbhai Memon (BRVPM0273J)	

6. **Trading by connected entities:** Details of trading of connected entities are as under:

	Pan	Name			Gross Sell		Net

Sr. No.			Gross Buy	% Of Gross Buy To Market Volume		% Of Gross Sell To Market Volume	
1	--	Ashlesh Gunvantbhai Shah	135709	6.77%	112044	5.59%	23665
2	--	Pradeep Narendra Bhatt	107872	5.38%	145221	7.24%	-37349
3	--	Firoz Hanifbhai Memon	86633	4.32%	86635	4..32%	-2
4	--	Piyush Batukbhai Dave	84486	4.21%	75796	3.78%	8690
5	--	Vipul Virendrakumar Patel	76922	3.84%	63064	3.14%	13858
6	--	Paresh Ramjibhai Chauhan	64785	3.23%	62178	3.10%	2607
7	--	Jayshriben Dhirendrakumar Maniar	39292	1.96%	141519	7.06%	-102227
8	--	Amul Gagabhai Deasi	37890	1.89%	35594	1.77%	2296
9	--	Desai Mahesh	37347	1.86%	39605	1.97%	-2258
10	--	Nehaben Janakray Soni	33979	1.69%	22807	1.14%	11172
11	--	Dhiren Dharamdas Agrawal (HUF)	28874	1.44%	28883	1.44%	-9
12	--	Shweta Dhiren Agrawal	18649	0.93%	18649	0.93%	0
13	--	Soni Sanjay Jethalal	15482	0.77%	17103	0.85%	-1621
14	--	Janakray Vithaldas Soni	3431	0.17%	4866	0.24%	-1435
	Total traded volume of the Group		**771351**	**38.46%**	**853964**	**42.58%**	**-82613**
	Total market volume during investigation period		**2005518**		**2005518**		

From the above table, it was observed that the group consisting of fourteen connected entities had traded in the shares of CTFL and altogether bought 7,71,351 shares which is 38.46% of the market volume & sold 8,53,964 shares which is 42.58% of total market volume during investigation period.

7. **Analysis of trading by connected entities:**

7.1. The analysis of trade log and order log for the entire period of investigation reveals that, during the investigation period, out of total 95 trading days, the connected entities traded on 86 trading days and bought 7,71,351 shares and sold 8,53,964 shares. During the investigation, the connected entities were observed to be trading amongst themselves and contributing to the total traded volume in the scrip as per the following details:

Market volume	Total no. of shares bought by the group	Total no. of shares sold by the group	Total traded qty among the group entities	Traded qty among the group as a % of mkt.vol.	Traded Qty. among the group as a % of total no. of shares bought	Traded Qty. among the group as a % of total no. of shares sold
A	**B**	**C**	**D**	**E**	**F**	**G**
20,05,518	7,71,351	8,53,964	3,74,819	18.69%	38.46%	42.58%

7.2. It was observed that a total of shares constituting 18.69% of the market were traded amongst the connected entities. Further, these shares constituted 38.46% of the buy volume and 42.58% of the sell volume of the connected entities.

8. **<u>Synchronized Trades by connected entities</u>**:

8.1. During the investigation period, there were a total of 35,231 trades for a traded quantity of 20,05,518 shares at BSE. Out of these, 1180 trades for 1,27,767 shares between the connected entities during 50 trading days were synchronized trades i.e. trades where the difference between buy order time and sell order time was less than 60 seconds. Further, there was no difference between buy order rate and sell order rate as well as there was no difference between buy order quantity and sell order quantity. The summary of these trades are given below:

Gross Buy Qty by the group	Gross Sell Qty by the group	Market Volume	Traded Qty among the connected entities	Synchronized Traded Qty	Sync. Trades as % of total traded qty among the connected entities	Sync. Trades as % of total market volume	Sum of LTP at Syn Trade (Rs.)	Sum NHP at Syn trade
A	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
5,76,846	6,22,108	20,05,518	**3,74,819**	**1,27,767**	**34.09%**	**6.37%**	**15.45**	**4.95**

8.2. It was observed that the synchronized trades of the group as a percentage to market volume were 6.37%. The following table depicts the synchronized trades by the group in terms of difference in time less than 60 seconds:

Diff. in seconds	Total traded Qty of synch trades by group	Total no. of synch.trades by group.	%age of total synch trades by group
00:00:00	6723	41	5.26%
00:00:01	36450	269	28.53%
00:00:02	33941	181	26.56%
00:00:03	17997	159	14.09%
00:00:04	6123	61	4.79%
00:00:05	2208	41	1.73%
	92542	**682**	**80.96%**
6 to 10 seconds	9728	193	7.61%
11 to 15 seconds	2689	77	2.10%
16 to 20 seconds	2854	64	2.23%
21 to 30 seconds	2011	53	1.57%

31 to 45 seconds	1717	30	1.34%
46 to 60 seconds	5326	11	4.17%
Grand Total	**127767**	**1180**	**100.00%**

8.3. From the above table, it was observed that the connected entities indulged in synchronized trades amongst themselves. It was observed that 80.96% of the total synchronized trades by connected entities happened within five seconds. It was also observed that the concentration of synchronized trades between group entities executed mostly in the month of September and October 2013 for a total traded quantity of 95,320 shares (74.60% of the group sync volume) as compared to total synchronized trades of 1,27,767 shares by the connected entities. Hence, in order to ascertain the concentration of synchronized trades during the investigation period when maximum synchronized trades were done, an analysis was conducted for the month of September and October 2013. It was observed that the eleven entities of the group viz.; Jayshriben Dhirendrakumar Maniar, Vipul Virendrakumar Patel, Ashlesh Gunvanbhai Shah, Piyush Batukbhai Dave, Shweta Dhiren Agrawal, Paresh Ramjibhai Chauhan, Janakray Vithaldas Soni, Sanjay Jethalal Soni, Amul Gagabhai Desai, Mahesh Desai and Firoz Hanifbhai Memon (hereinafter referred to as Noticee-1 to 11 respectively) have entered into synchronized trades where the traded quantity <u>is equal to or more than 500 shares on multiple days in the month of September and October 2013</u>, contributing 9.48% of the total market volume in the month of September and October 2013. The summary of the synchronized trades of the above mentioned Noticees are as follows:

Buy Client Name	**Sell Client Name**	**Sum of Synchronized Qty.**	**Sum of No. of Trades**	**Sum of No. of Days**	**Sum of % of Client Synchronized Vol. to Mkt. Vol.**	**Sum of % of Client Synchronized Vol. to Client's Total Vol.**	**Sum of No. of Buy Orders**	**Sum of No. of Sell Orders**	**LTP Contribution**
Jayshriben Dhirendrakumar Mani	Vipul Virendrakumar Patel	13100	9	1	1.42	42.85	1	1	0
Piyush Batukbhai Dave	Ashlesh Gunvantbhai Shah	10323	61	6	1.12	20.07	7	7	-5.35
Ashlesh Gunvantbhai Shah	Piyush Batukbhai Dave	9165	37	4	0.99	17.65	4	4	-4.45
Piyush Batukbhai Dave	Jayshriben Dhirendrakumar Mani	7000	11	2	0.76	13.61	2	2	-0.5
Vipul Virendrakumar Patel	Piyush Batukbhai Dave	6027	20	2	0.65	18.50	2	2	0
Piyush Batukbhai Dave	Vipul Virendrakumar Patel	5500	20	2	0.59	10.69	2	2	2

Buy Client Name	Sell Client Name	Sum of Synchronized Qty.	Sum of No. of Trades	Sum of No. of Days	Sum of % of Client Synchronized Vol. to Mkt. Vol.	Sum of % of Client Synchronized Vol. to Client's Total Vol.	Sum of No. of Buy Orders	Sum of No. of Sell Orders	LTP Contribution
Piyush Batukbhai Dave	Paresh Ramjibhai Chauhan	3703	40	3	0.40	7.20	4	4	0.45
Vipul Virendrakumar Patel	Firoz Hanifbhai Memon	3200	20	1	0.35	9.82	2	2	0
Jayshriben Dhirendrakumar Mani	Piyush Batukbhai Dave	3000	10	1	0.32	9.81	1	1	1
Shweta Dhiren Agrawal	Paresh Ramjibhai Chauhan	2500	10	1	0.27	39.68	1	1	1.5
Vipul Virendrakumar Patel	Paresh Ramjibhai Chauhan	2312	30	3	0.25	7.10	3	3	0.6
Piyush Batukbhai Dave	Firoz Hanifbhai Memon	2250	10	1	0.24	4.37	1	1	0.5
Firoz Hanifbhai Memon	Piyush Batukbhai Dave	2250	10	1	0.24	19.62	1	1	2.5
Paresh Ramjibhai Chauhan	Piyush Batukbhai Dave	2132	16	1	0.23	8.82	2	2	0.1
Paresh Ramjibhai Chauhan	Vipul Virendrakumar Patel	1770	30	2	0.19	7.32	3	3	-0.25
Soni Sanjay Jethalal	Desai Mahesh	1709	48	4	0.19	34.51	5	5	-2.55
Ashlesh Gunvantbhai Shah	Firoz Hanifbhai Memon	1700	10	1	0.18	3.27	1	1	-0.15
Ashlesh Gunvantbhai Shah	Vipul Virendrakumar Patel	1695	21	3	0.18	3.27	3	3	-0.5
Ashlesh Gunvantbhai Shah	Paresh Ramjibhai Chauhan	1489	30	3	0.16	2.87	3	3	-3.95
Paresh Ramjibhai Chauhan	Ashlesh Gunvantbhai Shah	1315	10	1	0.14	5.44	1	1	0.1
Piyush Batukbhai Dave	Shweta Dhiren Agrawal	1078	10	1	0.12	2.10	1	1	0
Janakray Vithaldas Soni	Soni Sanjay Jethalal	1000	10	1	0.11	35.24	1	1	0.05
Piyush Batukbhai Dave	Amul Gagabhai Desai	1000	10	1	0.11	1.94	1	1	0.9
Vipul Virendrakumar Patel	Amul Gagabhai Desai	625	10	1	0.07	1.92	1	1	-4
Vipul Virendrakumar Patel	Soni Sanjay Jethalal	600	10	1	0.07	1.84	1	1	5
Amul Gagabhai Desai	Vipul Virendrakumar Patel	600	10	1	0.07	4.24	1	1	-7.4
Janakray Vithaldas Soni	Amul Gagabhai Desai	579	11	2	0.06	20.40	2	2	7
	Total	**87622**			**9.48**				**-7.4**

Reversal of trades and Self Trades among entities

8.4. During the investigation period, it was observed that 12 connected entities of the group indulged in reversal trades amongst themselves for 20,066 shares; i.e., 1% of the total market volume. Similarly connected entities had entered into self trade, where the buyer and seller for the trades was same for a total quantity of 4319 shares which is 0.22% of the total market volume.

8.5. Thus, it was alleged that the Noticees by having entered into synchronized trades, reversal among themselves and also self-trades have created among themselves have created false and misleading appearance of trading in the market thereby violating provisions of Regulations 3(a), (b), (c), (d) and Regulations 4 (1), 4(2), (a) and (g) of SEBI (PFUTP) Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

9. The undersigned has been appointed as the Adjudicating Officer vide order dated May 19, 2017 in place of Ms. Anita Kenkare, General Manager under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act, 1992") to inquire into and adjudge the alleged violation of Regulations 3(a), (b), (c), (d) and 4 (1), 4(2) (a) & (g) of SEBI (PFUTP) Regulations, 2003 by the Noticees in the scrip of CTFL.

SHOW CAUSE NOTICE, REPLY AND HEARING

10. A common Show Cause Notice (hereinafter referred to as "SCN") dated October 31, 2017 was issued to the Noticees under Rule 4 of Adjudication Rules calling upon the Noticees to show cause as to why an inquiry be not held against them in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under Section 15 HA of the SEBI Act 1992 for the alleged violations against them as mentioned above.

11. The SCN sent to the Noticees were served upon all of the Noticees, except in the case of Noticee 11, which returned undelivered. Further attempts to serve the SCN to the said Noticee by way of affixture at its last known address through WRO also failed. However, the SCN was finally served on the said Noticee-11 i.e., Firoz Hanifbhai Memon, vide digitally signed email dated January 22, 2019 (which was acknowledged during the hearing as well as their subsequent replies.)

12. The Noticees vide their respective letters/email dated as mentioned against their names, hereunder, have submitted their replies to the charges alleged in the SCN.

Jayshriben Dhirendrakumar Maniar	Letter dated December 12, 2018, Email dated March 18, 2019
Vipul Virendrakumar Patel	Letters dated July 20, 2018 and March 15, 2019
Ashlesh Gunvanbhai Shah	Letters dated July 24, 2018, February 13, 2019 and March 15, 2019
Piyush Batukbhai Dave	Letter dated January 17,2019 and email dated March 25, 2019
Shweta Dhiren Agrawal	Letter dated March 8, 2019
Paresh Ramjibhai Chauhan	Letter dated January 16, 2019
Janakray Vithaldas Soni	Letter dated January 28, 2019

Sanjay Jethalal Soni	Letter dated March 9, 2019
Amul Gagabhai Desai	Letter dated March 8, 2019
Mahesh Desai	Letter dated March 9, 2019
Firoz Hanifbhai Memon	Letter dated March 11, 2019

13. The Noticees vide their replies *inter alia* stated as reproduced hereunder:

13.1. The Noticee -1 (Ms. Jayshriben Maniar) vide her reply submitted:

"…..

2. At the outset, Noticee states that he had called for various documents/details, which are relied upon by SEBI in the captioned SCN dated October 31, 2017 but the same are not supplemented to Noticee, vide letter dated December 05, 2017 and again vide mail dated May 17, 2018 and therefore the present reply shall be treated as interim reply. Noticee hereby craves leave to file detailed additional reply pursuant to receipt of Documents/details as sought vide letter dated December 05, 2017 and mail dated May 17, 2018.

3. The Noticee notes that the Show Cause Notice (hereinafter referred to as the 'SCN} is issued to him in connection with her trades in the securities of M/ s Cupid Trades and Finance Limited (hereinafter referred to as 'CTFL'} during June 19, 2013 to November 05, 2013 (hereinafter referred to as "Investigation Period") on the basis of trade/ order logs provided by SEBI.

4. The Noticee states that the investigation period in the CTFL scrip is between June 19, 2013 to November 05, 2013 and the above referred SCN is dated October 31, 2017. There is, therefore, a great delay of more than 4 years in issuance of the SCN which is not even explained. This delay has caused prejudice to the Noticee. In the matter of Subhkam Securities Private Limited versus Securities and Exchange Board of India (Appeal No. 73 of 2012) it was inter alia observed by Hon'ble SAT that, "There is yet another aspect of the case which we would like to highlight here. The trades for which investigation was carried out pertain to the year 2000 and the impugned order has been passed only in March, 2012. Investigation started in or around June, 2001. It has taken the Board twelve years to complete the proceedings in a matter relating to market manipulation. This is not the way to conduct proceedings against entities who are charged with serious allegations like market manipulation or insider trading. Expeditious disposal of such proceedings by the Board alone will ensure that the Board is carrying out its duty effectively to protect the interest of investors in securities and to promote the development of and regulating the securities market as mandated by section 11(1) of the Act. Inordinate delay in conducting inquiries and in punishing the delinquent not only permits market manipulator to operate in the market, it also has demoralizing effect on the market players who are ultimately 'not found guilty' but damocles' sword of inquiry keeps hanging on them for years together from the date of starting investigation by the Board to the date of completion of inquiry proceedings." In view of the said Judgment of the Hon'ble Tribunal, noticee hereby requests you to kindly provide explanation from SEBI for the inordinate delay in issuance of SCN and request SEBI to dispose off the matter as expeditiously as possible.

….

7. Upon analyzing the trade logs, the noticee submits as follows:

A. *Total trading sell volume of the Noticee: 1,41,519 shares (7.06% of the market volume)*
Alleged synchronized trade sell volume: 7,000 shares (0.35% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection has been established): 7,000 shares (0.35% of the market volume)

B. *Total trading buy volume of the Noticee: 39,292 shares (1.96% of the market volume)*
Alleged synchronized trade buy volume 17,910 shares (0.89% of the market volume)
Alleged synchronized trade buy volume (entities with whom purported connection has been established): 3,000 shares (0.15% of the market volume)

C. *Total number of trading days in investigation period : 140 days*
Total number of trading days of Noticee's trades: 37 days
Total number of trading days of alleged synchronized trades: 6 days
Total number of trading days of alleged synchronized Trades (entities with whom purported connection has been established): 4 days

8. The Noticee is a retail investor and she had carried out buy / sell/ Trade / investment related transactions in different scrips before, during and after the investigation period. The Noticee states that she is not related to any of the_ promoter group entity and even it is not alleged in SCN.

9. The Noticee states that her volume was independent, standalone and of delivery/ intra- day nature. The Noticee has been trading in the scrip as per her own conviction, anticipation and strategy. The Noticee has met with all obligations vis-a-vis trading members. Further, Noticee have been trading on daily basis in other scrips also listed in National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

10. At the very outset, Noticee states that her buy/ sell volume in the CTFL scrip is negligible. Her gross buy volume is only 39,292 shares and sell volume is only 1,41,519 shares in the market where the total market volume was. 20, 05,518 shares during the Investigation period.

Noticee	**Gross Buy**	**Gross Sell**	**% of Gross buy to Market Volume**	**% of Gross buy to Market Volume**
Jayshriben Dhirendrakumar Maniar	39,292	1,41,519	1.96%	7.06%

11. Assuming without admitting that Noticee and other Noticee (as defined above- Piyush Batukbhai Dave) are connected entities then trading among these entities may be considered for synchronized trading and not otherwise as alleged at table to Paragraph 9.3 of the SCN and Annexure- E as supplemented vide CD enclosed with the SCN.

12. Noticee's Buy / Sell Volume during the investigation period:

From the above, it can be seen that Noticee's trades were intra- day, delivery based and in small quantities. Further, the Noticee has not traded every day and throughout the

Date	Buy Qty (No. of shares)	Sell Qty (No. of shares)	Net Delivery	Alleged synchronized Volume (Buy)	Alleged synchronized Volume (Sell)	Market· Volume	% of alleged synchronized trades to ,market volume
20/06/2013	-	56	(56)	NIL	NIL	46,625	-
25/06/2013	-	4,602	(4,602)	NIL	NIL	6,012	-
26/06/2013	-	8,000	(8,000)	NIL	NL	22,010	-
27/06/2013	-	12,000	(12,000)	NIL	NIL	24,422	-
28/06/2013	-	4,240	(4,240)	NIL	NIL	5,459	-
01/07/2013	-	9,000	{9,000)	NL	NL	24,394	-
02/07/2013	-	32,000	{32,000)	NIL	NIL	46,617	-
04/07/2013	-	4,500	(4,500}	NIL	NIL	18,775	-
05/07/2013	2707	12,120	(9,413)	NIL	NIL	49,151	-
08/07/2013	73	5,500	(5,427)	NIL	NIL	64,869	-
10/07/2013	-	8,300	(8,300)	NIL	NIL	39,847	-
19/07/2013	-	2,518	(2,518)	NIL	NL	52,250	-
12/08/2013	5,800	63	5,737	. 1,800	NIL	12,928	1392%
13/08/2013	-	100	(100)	NIL	NIL	17,643	-
14/08/2013	-	100	(100}	NIL	NIL	48,311	-
16/08/2013	-	105	(105)	NL	NL	818	-
19/08/2013	-	100	(100)	NIL	NIL	12,037	-
22/08/2013	-	100	(100)	NIL	NIL	13,022	-
23/08/2013	100	100	-	NIL	NIL	2,642	-
29/08/2013	31	-	31	10	NIL	13,580	0.07%
30/08/2013	8	-	8	NIL	NIL	22,161	-
02/09/2013	4	-	4	NIL	NIL	5,308	-
06/09/2013	21	-	21	NIL	NIL	21,318	-
10/09/2013	20	-	20	NIL	NIL	23,648	-
11/09/2013	14	-	14	NIL	NIL	28,010	-
12/09/2013	3	-	3	NIL	NIL	24,934	-
13/09/2013	10	-	IO	NIL	NIL	10,806	-
16/09/2013	-	4,000	{4,000)	NIL	4,000	18,546	21.56%
17/09/2013	7	-	7	NIL	NIL	14,500	-
18/09/2013	9	-	9	NIL	NIL	6,775	-
19/09/2013	9	-	9	NIL	NIL	4,871	-

	1	40	(39)	NIL	NIL	12254	-
24/09/2013	3	30	(37)	NIL	NIL	9445	-
25/09/2013	-	30	(30)	NIL	NIL	14694	-
26/09/2013	3000	3030	(30)	3000	3000	20121	1490%
01/10/2013	500	-	500	NIL	NIL	15898	-
23/10/2013	26972	30885	(3913)	13100	NIL	379976	344%
TOTAL	39292	141,519				2005518	

investigation period. It is submitted that had the intention be to manipulate the price and volume the Noticee would have traded daily and throughout the investigation period, which is not the case here. It is further submitted that artificial volume is indulged in a continuous and running manner- it can't be done in tranches and trunked manner. Hereto annexed and marked as 'Annexure-C' is copy of price-volume data during the Investigation Period.

13. Noticee states that the summary of the synchronized trades qua Noticee as mentioned in table to Paragraph 9.3 of the SCN is reproduced below:

Buy Client Name	***Sell Client Name***	***Sum of Synchronized Quantity (No. of Shares)***	***Basis of Connection***
Jayshriben Dhirendrakumar Maniar	*Vipul Virendrakumar Patel*	*13,100*	*No Connection is established*
Piyush Batuk Dave	*Jayshriben Dhirendrakumar ·Maniar*	*7,000*	*Alleged Connected Entities based on off-market transfer, fund transfer and common Mobile Number in KYC*
Jayshriben Dhirendrakumar Maniar	*Piyush Batuk Dave*	*3,000*	*Alleged Connected Entities based on off-market transfer, fund transfer and common Mobile Number in KYC*
TOTAL		***23,100***	

14. From the table above, it can be observed that Noticee's trades with entities (who are not alleged to be connected with the Noticee) are also considered as synchronized trading which is against the settled principle of law, as more particularly laid down by the Hon'ble SAT Judgment in the matter of Kapil Chaturabhuj Bhuptni versus SEBI (Appeal No. 95 of 2013 decided. on October 10, 2013) and Ashlesh Shah versus SEBI (Appeal No. 265 of 2017 decided on April 18, 2018). In view of the aforementioned judgment, Noticee states that since there is no basis of connection between Noticee and other entities as mentioned in the SCN therefore no trades which may be inadvertently executed with them will fall within the definition of synchronized trading....

15. Without prejudice to aforesaid, Noticee seeks to address present interim reply on the allegation that Noticee and other Noticee(s) (Piyush Batukbhai Dave - as defined *above) are connected entities. At the threshold, it is stated that SEBI has not provided any documents/details about off-market transfer of shares, bank statements and KYC details of Noticee and other Noticee(s) despite repeated requested vide letter dated December OS, 20.17 and mail dated May 17, 2018, copies of which are already annexed in the present reply and marked as 'Annexure-A (colly)'. Therefore, Noticee is addressing present reply on the purported synchronized trades with other Noticee(s) while reserving right to file elaborate reply on receipt of such documents/details as sought for by the Noticee vide letter dated December 05, 2017 and mail dated May 17, 2018.*

16. Noticee states that trades as tabulated hereunder are considered as synchronized trades:

Date	***Buy Client Name***	***Sell Client Name***	***Sum of Synchronized Quantit y***	***No. of Trade s***	***No. or Orders***	***Sum of % of Client Synchronized Vol. to Mkt."Vol.***
16.09.2013	*Piyush Batukbhai Dave*	*Jayshriben Dhirendrakumar Maniar*	*4,000*	*1*	*1*	*0.19%*
26.09.2013	*Piyush Batukbhai Dave*	*Jayshriben Dhirendrakumar Maniar*	*3,000*	*10*	*1*	*0.15%*
26.09.2013	*Jayshriben Dhirendrakumar Maniar*	*Piyush Batukbhai Dave*	*3,000*	*10*	*1*	*0.15%*
12.08.2013	*Jayshriben Dhirendrakumar Maniar*	*Piyush Batukbhai Dave*	*1,800*	*10*	*1*	*0.09%*
TOTAL			*11,800*	*31*	*4*	*0.58%*

17. The Noticee states that all purchase/sale orders of the Noticee were limit orders. A limit order is a direction given to a broker to buy and sell a security or commodity at a specified price or Better. A buy limit order can only be executed at the limit price or lower. A sell limit order can only be executed at a limit price or higher. A limit order can be only filled if the stock's market price reaches the limit price.

18. The very fact that the orders placed were limit orders, it always ranges between prevalent market price at the time of placing of the order and limit price (for the buy order it is limit price or lower and for the sell order it is limit price or higher). In the circumstances, purported match-trades is the outcome of market mechanism in the normal course and nothing adverse or negative can be attributed to Noticee's conduct.

19. The Noticee relies on Hon'ble SAT's order in Ketan Parekh vs. Securities and Exchange Board of India in Appeal no. 2 of 2004. To quote:
"20. ... "<u>A synchronised trade is one where the buyer and Seller enter the quantity and price of the shares they wish to transact at substantially the same time</u>. This could be done through the same broker (termed a cross deal) or through two different brokers. Every buy and sell order has to match before the deal can go through. This matching may take place through the stock exchange mechanism or off market. When it matches through the stock exchange, it may or may not be a synchronised deal depending on the time when the buy and sell orders are placed ...".

The Noticee's on-market trades are bonafide and genuine and cannot be termed as a synchronized/ match trades.

20. As per table mentioned at Para 16 of the present reply, it can be observed that very miniscule volume (not more than even 0.58% of the total market volume) of trades got matched with the order(s) of the other Noticee(s) and therefore such trades cannot be said to manipulate the price of the scrip or can be said to have created • artificial volume in the scrip. Noticee states that copy of the order logs was not supplied to her and therefore SEBI is requested to kindly provide the same. Further, in order to demonstrate that the orders placed by the Noticee were not with a view to carry out synchronized the trades with other Noticees (as defined above), a detailed analysis is mentioned below:

<u>Analysis / Examples of alleged Match- trades on a sample basis:</u>

A. Noticee placed sell order quantity of 3,000 shares (CP Order No. 20000080190692) on 26/09/ 2013 whereas the Piyush Batukbhai Dave placed buy order quantity for 3,000 shares. It may be noted that only one order of 3,000 shares (which was executed in 10 different trades) was inadvertently got executed with Piyush Batukbhai Dave. It is further observed that on the same day, Noticee's orders got executed with 4 different counter parties. Further, a sum of synchronized quantity was only 3,000 shares which constituted only 0.15% of Noticee's Synchronized Volume to Market Volume. It is to be further noted that neither the Noticee's trades has resulted in change of Last Traded Price. (Hereinafter 'LTP1 nor the Noticee's trades has resulted in any significant price rise of the security. Copy of the noticee's trade logs of entire day and of the above Order is enclosed as "Annexure D-1". At this juncture, it is pertinent to note that the same Order has been alleged as synchronized trade and also as reversal trade which cannot be the case.

B. Noticee placed buy order quantity of 1,800 shares on 12/ 08/ 2013 whereas Piyush Batukbhai Dave placed sell order quantity for 1,800 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was only 1,800 shares which constituted only 0.09% of Noticee's Synchronized Volume to Market Volume. It is further stated that on the same day Noticee placed buy order for 4,000 shares which got executed in 10 trades but the same has not been considered as synchronized trade and therefore out of trades for 5,800 shares executed on that day, only trade for 1,800 shares are alleged as synchronized trade. It is further observed that Noticee's trade has not resulted in any significant price rise of the security. Copy of the trade logs of that day and of the above Order is enclosed as "Annexure D-2".

C. Noticee placed buy order quantity of 15,000 shares on 23/ 10/ 2013 whereas Vipul Virendrabhai Patel placed sell order quantity for 15,000 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was only 13, 100 shares which has not resulted into any price rise of the security and Noticee's trades has not contributed anything to LTP. It is further *submitted that Noticee on the same day placed two different buy orders with got executed with 15 counter parties. Copy of the trade logs of that day and of the above Order is enclosed as "Annexure D-3"*

21. Noticee states that trades were normal transactions traded on the system maintaining complete anonymity and the trades were not illegal and therefore Noticee has not violated the provisions of SEBI Regulations. Further, the trades were done on automated screen based trading and it was not possible for Noticee to know who the counter party was and therefore, the synchronization of trade was a mere coincidence.

22. Noticee states that trades were executed by her with an intention to transfer beneficial interest in the security and had undertaken the transaction only for that purpose and not for rigging the market and therefore the same cannot be treated as illegal and cannot be said to violate the SEBI regulations.

23. Noticee states that it is well settled proposition of law that a synchronized transaction will become illegal or violative of the Regulations if it is executed with a view to manipulate the market Or if it results in circular trading or is dubious in nature and with a view to manipulate the price or volume of the scrip or with some ulterior purpose. Noticee's purported synchronized trading in. the scrip comprises only 0.58% of the total trades in the scrip during the investigation period. Such an insignificant percentage of the total trading executed during the period of investigation does seem to indicate that the Noticee cannot be held guilty of violation of Regulation 3(1) (a) to (d) and Regulations 4(1) and 4(2) (a) and (g) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

……

46. CONCLUSION:

i. The Noticee submits that the findings against him in SCN are not borne out by facts and he is roped in just because of certain match trades with Piyush Batukbhai Dave and fund transfers, if any, with Piyush Batukbhai Dave and some trading volume -that too insignificant - transaction involving funds were random and stray. The trades were in the ordinary course of trading / investment business. There is no concrete material to suggest that the Noticee acted in collusion or in concert with anyone. The Noticee with respect do not accept the adverse allegations against her as they do not have any substantive basis in law and are contrary to facts.

ii. Noticee further states that a synchronized transaction even on the trading screen between genuine parties who intend to transfer beneficial interest in the trading stock and who undertake the transaction only for that purpose and not for rigging the market is not illegal and cannot violate the regulations. A synchronized transaction will become illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and with a view to manipulate the price or volume of the scrip or with some ulterior purpose. …..”

13.2. Subsequently the Noticee-1 also submitted that her account was operated and handled by her husband who is deceased and that the connection established with Piyush Dave (Noticee 10 is not relevant as no transaction of the Noticee has been alleged to be synchronised with him.

13.3. Further, Noticee-3, Ashlesh Gunvanthbhai Shah also made submissions on similar line as the above Noticee whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"…..
7. Upon analyzing the trade logs, it is submitted that:

A. *My total trading sell volume : 1,12,044 shares (5.59% of the market volume), copy attached herewith and marked as* ***'Annexure-B'***
Alleged synchronized trade sell volume as per SCN: 11,638 shares (0.58% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection is established): 1,804 shares (0.08% of the market volume), copy attached herewith and marked as ***'Annexure-C***

B. *My total trading buy volume : 1,35,709 shares (6.77% of the market volume), copy attached herewith and marked as* ***'Annexure-D'***
Alleged synchronized trade buy volume as per SCN: 14,049 shares (0.70% of the market volume)
Alleged synchronized trade buy volume (entities with whom purported connection is established): 5,562 shares (0.27% of the market volume), copy attached herewith and marked as ***'Annexure-E'***

C. *Total number of trading days in investigation period : 140 days*
Total number of trading days of my trades: 43 days Total number of trading days of alleged synchronized trades: 27 days
Total number of trading days of alleged synchronized trades (entities with whom purported connection is established): 11 days

8. At the very outset, it is pertinent to note that I am a investor/trader and had carried out buy / sell / trade / investment related transactions in different scrips before, during and after the investigation period. Further, I am not related to any of the promoter group entity and even it is not alleged in SCN.

9. Before dwelling in the analysis of trades executed by undersigned, it would be apt to note that my trading volume was independent, standalone and of delivery/ intra-day nature. I had traded in the scrip as per my own conviction, anticipation and strategy. Further, it may be noted that undersigned has met with all his obligations vis-a-vis trading members. Further, I have been trading on daily basis in other scrips also listed in National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

10. At the very outset, I say that my buy/ sell volume in the CTFL scrip is negligible as the gross buy volume is only 1, 35,709 shares and sell volume is only 1, 12,044 shares in the market where the total market volume was 20, 05,518 shares during the Investigation period.

Noticee	***Gross Buy***	***Gross Sell***	***% of Gross buy to Market Volume***	***% of Gross sell to Market Volume***
Ashlesh Gunvantbhai Shah	*1,35,709*	*1,12,044*	*6.77%*	*5.59%*

11. *Assuming without agreeing that I am connected with other Noticees (as defined above- Vipul Virendrabhai Patel and Paresh Ramjibhai Chauhan) then my trading with these other Noticees may be considered for synchronized trading and not otherwise as alleged at table to Paragraph 9.3 of the SCN and Annexure- E as supplemented* vide *CD enclosed with the SCN. A separate detailed table* qua *me is also annexed herewith and marked as* **'Annexure-F'** *for your ready reference.*

12. *My Buy / Sell Volume during the investigation period:*

Date	***Buy Qty (No. of shares)***	***Sell Qty (No. of shares)***	***Net Delivery***	***Alleged synchronized Volume (Buy)***	***Alleged synchronized Volume (Sell)***	***Market Volume***	***% of allged synchronized trades to market volume***
26/06/2013	*9,300*	*-*	*9,300*	*NIL*	*NIL*	*22,010*	*-*
01/07/2013	*1,533*	*1,333*	*200*	*NIL*	*NIL*	*24,394*	*-*
02/07/2013	*1,080*	*880*	*200*	*NIL*	*NIL*	*46,617*	*-*
11/07/2013	*74*	*74*	*-*	*NIL*	*NIL*	*8,058*	*-*
12/07/2013	*7,594*	*-*	*7,594*	*NIL*	*NIL*	*15,465*	*-*
15/07/2013	*3,292*	*6,450*	*(3,158)*	*NIL*	*NIL*	*20,594*	*-*
17/07/2013	*5,789*	*5,100*	*689*	*NIL*	*NIL*	*30,886*	
18/07/2013	*-*	*8,500*	*(8,500)*	*NIL*	*2,025*	*15,252*	*0.10%*
19/07/2013	*10,025*	*6,025*	*4,000*	*NIL*	*NIL*	*52,250*	
22/07/2013	*7,539*	*6,557*	*982*	*NIL*	*NIL*	*42,727*	
23/07/2013	*3,404*	*880*	*2,524*	*NIL*	*NIL*	*34,664*	*-*
24/07/2013	*314*	*500*	*(186)*	*NIL*	*NIL*	*10,779*	
26/07/2013	*-*	*2,045*	*(2,045)*	*NIL*	*NIL*	*8,230*	
31/07/2013	*-*	*3,921*	*(3,921)*	*NIL*	*NIL*	*14,700*	*-*
01/08/2013	*1,205*	*1,100*	*105*	*NIL*	*NIL*	*20,463*	
02/08/2013	*2,000*	*2,000*	*-*	*NIL*	*NIL*	*16,023*	
06/08/2013	*2,328*	*-*	*2,328*	*NIL*	*NIL*	*17,762*	*-*
07/08/2013	*435*	*-*	*435*	*NIL*	*NIL*	*5,410*	*-*
12/08/2013	*1,000*	*2,000*	*(1,000)*	*NIL*	*NIL*	*12,928*	*-*
13/08/2013	*5,248*	*-*	*5,248*	*NIL*	*NIL*	*17,643*	*-*
14/08/2013	*-*	*500*	*(500)*	*NIL*	*500*	*48,311*	*0.02%*
19/08/2013	*371*	*100*	*271*	*200*	*NIL*	*12,037*	*0.01%*
22/08/2013	*800*	*3,219*	*(2,419)*	*500*	*NIL*	*13,022*	*0.02%*
23/08/2013	*-*	*500*	*(500)*	*NIL*	*NIL*	*2,642*	*-*

27/08/2013	*500*	*-*	*500*	*NIL*	*NIL*	*7,986*	*-*
28/08/2013	*5,725*	*-*	*5,725*	*NIL*	*NIL*	*6,413*	*-*
29/08/2013	*5,000*	*1,500*	*3,500*	*2,497*	*NIL*	*13,580*	*0.12%*
30/08/2013	*233*	*-*	*233*	*NIL*	*NIL*	*22,161*	*-*
02/09/2013	*250*	*739*	*(489)*	*250*	*489*	*5,308*	*0.03%*
03/09/2013	*-*	*400*	*(400)*	*NIL*	*NIL*	*10,881*	*-*
04/09/2013	*-*	*5,700*	*(5,700)*	*NIL*	*3,200*	*17,481*	*0.16%*
05/09/2013	*4,653*	*3,357*	*1,296*	*NIL*	*NIL*	*29,421*	*-*
06/09/2013	*7,780*	*3,834*	*3,946*	*NIL*	*408*	*21,318*	*0.02%*
10/09/2013	*3,651*	*3,100*	*551*	*1,800*	*NIL*	*23,648*	*0.09%*
11/09/2013	*6,351*	*3,100*	*(3,251)*	*670*	*2,200*	*28,010*	*0.14%*
13/09/2013	*-*	*2,000*	*(2,000)*	*NIL*	*NIL*	*10,806*	*-*
17/09/2013	*3,911*	*1,508*	*2,403*	*2,700*	*1,230*	*14,500*	*0.19%*
18/09/2013	*771*	*(2,000)*	*(1,229)*	*NIL*	*NIL*	*6,775*	*-*
19/09/2013	*227*	*1,500*	*(1,273)*	*NIL*	*NIL*	*4,871*	*-*
20/09/2013	*2,352*	*1,319*	*1,033*	*NIL*	*1,315*	*11,226*	*0.06%*
23/09/2013	*2,525*	*1,240*	*1,285*	*NIL*	*NIL*	*12,254*	*-*
24/09/2013	*4,675*	*640*	*(4,035)*	*1,700*	*NIL*	*9,445*	*0.08%*
25/09/2013	*262*	*-*	*262*	*NIL*	*NIL*	*14,694*	*-*
27/09/2013	*500*	*4,625*	*(4,125)*	*500*	*NIL*	*14,966*	*0.02%*
30/09/2013	*-*	*150*	*(150)*	*NIL*	*NIL*	*27,541*	*-*
01/10/2013	*2,002*	*1,000*	*1,002*	*319*	*NIL*	*15,898*	*0.01%*
07/10/2013	*1,000*	*6,360*	*(5,360)*	*1,000*	*5,360*	*12,526*	*0.32%*
08/10/2013	*5,360*	*-*	*5,360*	*5,360*	*NIL*	*20,583*	*0.27%*
10/10/2013	*2,250*	*2,250*	*-*	*NIL*	*NIL*	*12,561*	*-*
11/10/2013	*2,250*	*2,250*	*-*	*NIL*	*NIL*	*18,210*	*-*
15/10/2013	*-*	*725*	*(725)*	*NIL*	*725*	*17,631*	*0.03%*
17/10/2013	*1,126*	*400*	*726*	*1,125*	*400*	*6,574*	*0.08%*
23/10/2013	*-*	*12,763*	*(12,763)*	*NIL*	*NIL*	*3,79,976*	*-*
TOTAL	***76,922***	***63,064***		***18,621***	***17,852***		***1.82%***

From the above, it can be seen that my trades were intra-day, delivery based and in small quantities. Further, it may also be noted that I have not traded everyday or throughout the investigation period. I say that during the Investigation Period, I have traded only on one day in the month of June, 2013 and have not traded in the month of November, 2013. It is submitted that had the intention be to manipulate the price and volume I would have traded daily and throughout the investigation period, which is not the case here. It is further *submitted that artificial volume is indulged in a continuous and running manner- it can't be done in tranches and trunked way.*

……

17. *It is submitted that all purchase/sale orders of the undersigned were limit orders. A limit order is a direction given to a broker to buy and sell a security or commodity at a specified price or better. A buy limit order can only be executed at the limit price or lower. A sell limit order can only be executed at a limit price or higher. A limit order can be only filled if the stock's market price reaches the limit price.*
18. *The very fact that the orders placed were limit orders, it always ranges between prevalent market price at the time of placing of the order and limit price (for the buy order it is limit price or lower and for the sell order it is limit price or higher). In the circumstances, purported match-trades are the outcome of market mechanism in the normal course and nothing adverse or negative can be attributed to my conduct in the stock market.*
19. *I seek to rely on Hon'ble SAT's order in* **Ketan Parekh vs. Securities and Exchange Board of India** *in Appeal no. 2 of 2004. To quote:*
    "20. ... "A synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time. *This could be done through the same broker (termed a cross deal) or through two different brokers. Every buy and sell order has to match before the deal can go through. This matching may take place through the stock exchange mechanism or off market. When it matches through the stock exchange, it may or may not be a synchronised deal depending on the time when the buy and sell orders are placed...*
    It is submitted that my on-market trades are bonafide and genuine and cannot be termed as a synchronized/ match trades.
20. *It can be observed that very miniscule volume (not more than even 0.22% of the total market volume) of trades got matched with the order(s) of the other Noticee(s) (with whom purported connection is established) and therefore such trades cannot be said to manipulate the price of the scrip or can be said to have created artificial volume in the scrip. I state that copy of the order logs is not supplied to him and therefore SEBI is requested to kindly provide the same. Hereto annexed and marked as* ***Annexure- 'G'*** *is a copy of mail dated July 02, 2018* inter alia *requesting SEBI to provide copy of order logs. Also annexed herewith and marked as* ***Annexure-'H'*** *is copy of price volume data as extracted from BSE website. Further, in order to demonstrate that the orders placed by me were not with a view to carry out synchronized the trades with other Noticees (as defined above), a detailed analysis is mentioned below:*

    <u>*Analysis/Examples of alleged Match- trades on a sample basis:*</u>

    A. *Undersigned placed buy order quantity of 2,500 shares on 29/08/2013 whereas the Vipul Virendrabhai Patel placed sell order quantity for 2,500 shares. Apart from one order of 2,500 shares (which was executed in 10 different trades), there were other trades that were executed with other 2 entities on the same day. Further, a sum of synchronized quantity was only 2,500 shares which constituted only 0.125% of undersigned Synchronized Volume to Market Volume. Copy of the trade logs of the above Order is enclosed as* ***"Annexure 1-1".***
    B. *I placed buy order quantity of 670 shares on 11/09/2013 whereas Paresh Ramjibhai Chauhan placed sell order quantity for 670 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was only 670 shares which constituted only 0.03% of my Synchronized Volume to Market Volume. Further, on the same day (i.e 11/09/2013) my trades*

were executed with 14 other entities also. This demonstrates that I acted with independent mind and without any shred of collusion with Paresh Ramjibhai Chauhan. Copy of the trade logs of the above Order is enclosed as ***"Annexure 1-2".***

C. *I placed sell order quantity of 1,315 shares on 20/09/2013 whereas Paresh Ramjibhai Chauhan placed buy order quantity for 1,315 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was only 1,315 shares which constituted only 0.06% of undersigned Synchronized Volume to Market Volume. Further, I had placed buy order on the same day which got executed with 19 other entities. This demonstrates that I had placed without any knowledge about the counter party, as is the case in the algo trading. Copy of the trade logs of the above Order is enclosed as* ***"Annexure 1-3".*** *Also copy of trades logs were I have acted as buyer on same day (20/09/2013) is enclosed as* ***"Annexure I-3A"***

D. *I placed buy order quantity of 820 shares on 24/09/2013 whereas Vipul Virendrabhai Patel placed sell order quantity for 820 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was only 820 shares which constituted only 0.04% of undersigned Synchronized Volume to Market Volume. Further, I had placed buy order on the same day which got executed with 12 other entities. Copy of the trade logs of the above Order is enclosed as* ***"Annexure 1-4".***

E. *I had placed buy order quantity of 320 shares on 01/10/2013 whereas Paresh Ramjibhai Chauhan placed sell order quantity for 320 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was 320 shares which constituted only 0.015% of undersigned Synchronized Volume to Market Volume. Further, I had placed buy order on the same day which got executed with 3 other entities. Copy of the trade logs of the above Order is enclosed as* ***"Annexure 1-5".***

F. *I had placed buy order quantity of 625 shares on 07/10/2013 whereas Vipul Virendrabhai Patel placed sell order quantity for 625 shares but both buyer and seller placed orders with two different brokers. Further, a sum of synchronized quantity was 625 shares which constituted only 0.015% of undersigned Synchronized Volume to Market Volume. Further, I had placed buy order on the same day which got executed with one other entity. Copy of the trade logs of the above Order is enclosed as* ***"Annexure 1-6".***

...."

13.4. Further, the Noticee-4, Vipul Patel made his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"*7. Upon analyzing the trade logs, the noticee submits as follows:*

A. Total trading sell volume of the Noticee 63,064 shares (3.14% of the market volume)
Alleged synchronized trade sell volume (1.13% of the market volume)
22,665 shares
Alleged synchronized trade sell volume (entities with whom purported connection has been established): 3,465 shares (0.17% of the market volume)

B. Total trading buy volume of the Noticee 76,922 shares (3.83% of the market volume)

Alleged synchronized trade buy volume (0.64% of the market volume)
12,764 shares
Alleged synchronized trade buy volume (entities with whom purported connection has been established): 2,312 shares (0.11% of the market volume)
C. Total number of trading days in investigation period : 140 days
Total number of trading days of my trades: 43 days
Total number of trading days of alleged synchronized trades: 25 days
Total number of trading days of alleged synchronized trades (entities with whom purported connection has been established): 14 days

13.5. Further, the Noticee-8, Sanjay Jethalal Soni made submission on similar lines whereby he also submitted as under:

"....
8. Upon analyzing the trade logs, it is submitted that

A. My total trading sell volume : 17,103 shares (0.85% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection is established): 4,909 shares (0.24% of the market volume)
Alleged synchronized trade sell volume (entities with whom no purported connection is established): 882 shares (0.04% of the market volume)

B. My total trading buy volume : 15,482 shares (0.77% of the market volume),
Alleged synchronized trade buy volume (entities with whom purported connection is established): 4,819 shares (0.24% of the market volume),
Alleged synchronized trade buy volume (entities with whom no purported connection is established): 526 shares (0.02%of the market volume)

***C.** Total number of trading days in investigation period: 95 days Total number of trading days of my trades: 28 days Total number of trading days of alleged synchronized trades (as a Buyer): 14 days*
Total number of trading days of alleged synchronized trades (as a Seller): 12 days.

Also annexed herewith and marked as **Annexure 'D'** *is copy of price volume data as extracted from BSE website.*

9. I say that my buy/ sell volume in the CTFL scrip is negligible as the gross buy volume is only 15482 shares and sell volume is only 17103 shares in the market where the total market volume was 20,05,518 shares during the Investigation period.

.....

Analysis of alleged Synchronized Trades

A. I placed buy order quantity of 27 shares on 14.10.2013 whereas Amul Gagabhai Desai placed sell order quantity for 27 shares. I had placed 5 buy and sell orders on the same day for quantify of 918 shares out of which only 1 order got executed with Amul Gagabhai Desai which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 27 shares which constituted only 0% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is alleged with Amul Gagabhai Desai. Copy of the trade logs of the above Order as A seller is enclosed as "Annexure E-l".

B. I placed sell order quantity of 700 shares on 30.07.2013 whereas Mahesh Desai placed buy order quantity for 700 shares. I had placed 5 buy and sell orders on the same day for quantity of 1,436 shares out of which only 1 order got executed with Mahesh Desai which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 700 shares which constituted only 0.03% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party,

as is the case in the algo trading. It is pertinent to mention that no connection is established with Mahesh Desai. Copy of trades logs of above order dated is enclosed as "Annexure E-2"
...."

13.6. Further, the Noticee-9, Amul Gagabhai Desai made his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

".....
8. Upon analyzing the trade logs, it is submitted that

A. My total trading sell volume : 35,594 shares (1.77% of the market volume)
Alleged synchronized trade sell volume as per SCN: 3.056 shares (0.15% of the market volume)
Alleged synchronized trade sell volume (entities with whom no purported connection is alleged): 2,535 shares(0.13% of the market volume)
Alleged synchronized trade sell volume (entities with whom connection is alleged): 521 shares (0.03% of the market volume)

B. My total trading buy volume: 37890 shares (1.89% of the market volume).
Alleged synchronized trade buy volume as per SCN: 3,540 Shares (0.17% of the market volume)
Alleged synchronized trade buy volume (entities with whom no purported connection is alleged): 3,540 shares (0.17% of the market volume)
Alleged synchronized trade sell volume (entities with whom connection is alleged): 0 shares (0% of the market volume)

C. Total number of trading days in investigation period: 95 days
Total number of trading days of my trades: 38 days
Total number of trading days of alleged synchronized trades: 5 days
Total number of trading days of alleged synchronized trades (entities with whom no purported connection is alleged): 16 days
Total numberof trading days of alleged synchronized trades (entities with whom connection is alleged): 4 days Copy of price volume chart is annexed and marked as Annexure 'A'
....

14. It can be observed that volume is very minute and miniscule and of no significance. The alleged synchronized volume is less than 1% of the total market volume and therefore such trades cannot be said to manipulate the price of the scrip or cannot be said to have created artificial volume in the scrip. Further, in order to demonstrate that the orders placed by me were not with a view to Carry out synchronized trades with other Noticee(s) (as defined above), a detailed analysis is mentioned below:

Analysis of alleged Synchronized trades as per the SCN:

A. *I placed buy order quantity of 600 shares on 08.10.2013 whereas Vipul Virendrakumar Patel placed sell order quantity for 600 shares. I had placed 11 buy and sell orders on the same day for quantity of 2,208 shares out of which only 1 order got executed with Vipul Virendrakumar Patel which is considered towards alleged synchronized trades. Further, a sum of* *synchronized quantity was only 600 shares which constituted only 0.03% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is established with Vipul Virendrakumar Patel. Copy of the trade logs of the above Order as A seller is enclosed **as "Annexure D-1".***

B. *I placed sell order quantity of 625 shares on 08.10.2013 whereas Vipul Virendrakumar Patel placed buy order quantity for 625 shares. I had placed 11 buy and sell orders on the same day for quantity of 2,208 shares out of which only 1 order got executed with Vipul Virendrakumar Patel which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 625 shares which constituted only 0.03% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is established with Vipul Virendrakumar Patel. Copy of trades logs of above order dated (08.10.2013) is enclosed as **"Annexure D-2"***

C. *I placed sell order quantity of 1000 shares on 11.10.2013 whereas Piyush Batukbhai Dave placed buy order quantity for 1000 shares. I had placed 2 sell orders on the same day out for quantity of 1,106 shares of which only 1 order got executed with Piyush Batukbhai Dave which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 1000 shares which constituted only 0.05% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is established with Piyush Batukbhai Dave. Copy of trades logs of above order dated (11.10.2013) is enclosed as "Annexure D-3"*

D. *I placed sell order quantity of 1 share on 25.09.2013 whereas Janakray Vithaldas Soni placed buy order quantity for 1 share. I had placed 2 sell orders on the same day for quantity of 5 shares out of which only 1 order got executed with Janakray Vithaldas Soni which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 1 shares which constituted only 0% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is established with Janakray Vithaldas Soni. Copy of trades logs of above order dated (25.09.2013) is enclosed as "Annexure D-4"*

E. *I placed sell order quantity of 578 share on 01.10.2013 whereas Janakray Vithaldas Soni placed buy order quantity for 578 share. I had placed 57 sell orders on the same day for quantity of 5,447 shares out of which only 1 order got executed with Janakray Vithaldas Soni which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 1 shares which constituted only 0.03% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that* *no connection is established with Janakray Vithaldas Soni. Copy of trades logs of above order dated (01.10.2013) is enclosed as "Annexure D-5"*

15. At the threshold, it is alleged that there is synchronized trading among the connected entities, while there is no such synchronized trading with whom the connection of undersigned has been alleged in the SCN as a Buyer. Without prejudice to aforesaid, I hereby address, the analysis of the synchronized trades with the Noticee(s) (with whom connection has been alleged) as a seller mentioned in the Annexure E of the SCN.

<u>Analysis of alleged Synchronized trades as per Annexure E:</u>

A. *I placed sell order quantity of 500 shares on 10.07.2013 whereas Desai Mahesh placed sell order quantity for 500 shares. I had placed 21 buy and sell orders on the same day for quantity of 2,400 shares out of which only 1 order got executed with Desai Mahesh which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 500 shares which constituted only 0.02% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that SCN alleges the connection between the above said entities on the basis of common mobile number while, the KYC documents provided fails to show the same. Copy of the trade logs of the above Order as A seller is enclosed as "Annexure E-1".*

B. *I placed sell order quantity of 4 shares on 25.09.2013 whereas Desai Mahesh placed sell order quantity for 4 shares. I had placed 2 sell orders on the same day for quantity of 5 shares out of which only 1 order got executed with Desai Mahesh which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 4 shares which constituted only 0% of the Market Volume. This demonstrates that I had placed orders without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that SCN alleges the connection between the abovesaid entities on the basis of common mobile number while, the KYC documents provided fails to show the same. Copy of the trade logs of the above Order as A seller is enclosed as "Annexure E-2".*

….."

13.7. Further, the Noticee-2, Piyush Batukbhai dave made his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"*Upon analyzing the trade logs, it is submitted that:*
My total trading sell volume: 75,796 shares (3.38% of the market volume).
Alleged synchronized trade sell volume as per SCN: 24,612 shares (1.23% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection is established): 6,932 shares (0.35% of the market volume), copy attached herewith and marked as ***'Annexure-B'***
My total trading buy volume: 84,486 shares (4.21% of the market volume).

Alleged synchronized trade buy volume as per SCN: 33,086 shares (1.65% of the market volume)
Alleged synchronized trade buy volume (entities with whom purported connection is established): +10,703 shares (0.53% of the market volume), copy attached herewith and marked as ***'Annexure-C'***
Total number of trading days in investigation period: 140 days
Total number of trading days of my trades: 64 days Total number of trading days of alleged synchronized trades: 19 days
Total number of trading days of alleged synchronized trades (entities with whom purported connection is established): 6 days
At the very outset, it is pertinent to note that I am an investor/trader and had carried out buy / sell / trade / investment related transactions in different scrips before, during and after the
Investigation period. Further, I am not related to any of the promoter group entity and even it is not alleged in SCN.
Before dwelling in the analysis of trades executed by undersigned, it would be apt to note that my trading volume was independent, standalone and of delivery/ intra- day nature. I had traded in the scrip as per my own conviction, anticipation and strategy. Further, it may be noted that undersigned has met with all his obligations vis-a-vis *trading members. Further, 1 have been trading on daily basis in other scrips also listed in National Stock Exchange of India Limited and Bombay Stock Exchange Limited.*
At the very outset, I say that my buy/ sell volume in the CTFL scrip is negligible as the gross buy volume is only 84,486 shares and sell volume is only 75,796 shares in the market where the total market volume was 20,05,518 shares during the Investigation period.
"

13.8. Further, the Noticee-5, Shweta Dhiren Agrawal made her submission on the similar lines as the above Noticees whereby with respect to her alleged synchronised trades, she inter alia submitted as under:

"*Upon analyzing the trade logs, it is submitted that:*
A. My total trading sell volume : 18,649 shares (0.93% of the market volume)
Alleged synchronized trade sell volume as per SCN: 1,378 shares (0.05% of the market volume)
Alleged synchronized trade sell volume (entities with whom no purported connection is established) : 1078 shares (0.05% of the market volume)
Alleged synchronized trade sell volume (entities with whom connection is established) : 300 shares (0.015% of the market volume), copy attached herewith and marked as Annexure- 'A'
B. My total trading buy volume : 18,649 shares (0.93% of the market volume).
Alleged synchronized trade buy volume as per SCN: 2500 shares (0.12% of the market volume)
Alleged synchronized trade buy volume (entities with whom no purported connection is established) : 2,500 shares (0.12% of the market volume)
Alleged synchronized trade sell volume (entities with whom connection is established) : 0 shares (0% of the market volume), copy attached herewith and marked as Annexure- 'B'
C. Total number of trading days in investigation period : 95 days
Total number of trading days of my trades : 15 days Total number of trading days of alleged synchronized trades: 2 days
Total number of trading days of alleged synchronized trades (entities with whom no purported connection is established) : 2 days

Total number of trading days of alleged synchronized trades (entities with whom connection is established) : 1 days Copy of Price Volume Chart attached herewith and marked as Annexure-'C

Analysis of alleged Synchronized trades in the SCN:

A. I placed sell order quantity of 1100 shares on 18.10.2013 whereas Piyush Batukbhai Dave placed buy order quantity for 1100 shares

but both buyer and seller placed orders with two different brokers. I had placed 3 sell orders on the same day out of which only 1 order got executed with Piyush Batukbhai Dave which is considered towards alleged synchronized trades. Only a sum of 1,078 shares trade got executed with whom no connection has been established, while trades for other shares got executed with other entities. Further, a sum of synchronized quantity was 1078 shares which constituted only 0.053% of my Synchronized Volume to Market Volume. Further, on the same day (i.e 08.10.2013) my trades were executed with other entities. This demonstrates that I acted with independent mind and without any shred of collusion with Piyush Batukbhai Dave. It is pertinent to mention that no connection is established with Piyush Batukbhai Dave. Copy of the trade logs of the above Order as A seller is enclosed as "Annexure F-l".

B. I placed buy order quantity of 2,500 shares on 13.09.2013 whereas Paresh Ramjibhai Chauhan placed sell order quantity for 2,500 shares but both buyer and seller placed orders with two different brokers. I had placed 2 buy orders on the same day out of which only 1 order got executed with Paresh Ramjibhai Chauhan which is considered towards alleged synchronized trades. Further, a sum of synchronized quantity was only 2,500 shares which constituted only 0.12% of undersigned Synchronized Volume to Market Volume. Further, I had placed buy orders on the same day which got executed with other entities and sell orders which got executed with other entities. This demonstrates that I had placed without any knowledge about the counter party, as is the case in the algo trading. It is pertinent to mention that no connection is established with Paresh Ramjibhai Chauhan. Copy of trades logs of above order dated (13.09.2013) is enclosed as "Annexure F-2"

Analysis of alleged Synchronized trades in the Annexure E;

A. I placed sell order quantity of 300 share on 18.10.2013 in two different sell orders whereas Soni Sanjay Jethalal placed two buy orders, quantity for 300 shares but both buyer and seller placed orders with two different brokers. I had placed several sell orders on the same day out of which only 1 order got executed with Soni Sanjay Jethalal which is considered towards alleged synchronized trades. Only a sum of 300 shares trade got executed with whom the connection has been established, while trades for other shares got executed with other entities. Further, a sum of synchronized quantity was 300 shares which constituted only 0.015% of my Synchronized Volume to Market Volume. Further, on the same day (i.e 18.10.2013) my trades were executed with other entities. This demonstrates that I acted with independent mind and without any shred of collusion with Soni Sanjay Jethalal. Copy of the trade logs of the above Order as A seller is enclosed as "Annexure F-3".

17. It is submitted that all purchase/sale orders of the undersigned were limit orders. A limit order is a direction given to a broker to buy and sell a security or commodity at a specified price or better. A buy limit order can only be executed at the limit price or lower. A sell limit order can only be executed at a limit price or higher. A limit order can be only filled if the stock's market price reaches the limit price."'

13.9. Further, the Noticee-6, Paresh Ramjibhai Chauhanmade his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"8. *Upon analyzing the trade logs, it is submitted that:*

A. My total trading sell volume: 62, 178 shares (3.10% of the market volume), copy attached herewith and marked as 'Annexure- A
Alleged synchronized trade sell volume as per SCN: 15,523 shares (0.77% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection "is established): 10,388 shares {0.51% of the market volume), copy attached herewith and marked as 'Annexure-B
B. My total trading buy volume: 64,785 shares (3.23% of the market volume), copy attached herewith and marked as 'Annexure-C
Alleged synchronized trade buy volume as per SCN: 8,357 shares (0.42% of the market volume)
C. Total market volume was 20,05,518 shares
D. Total number of trading days in investigation period : 140 days
Total number of trading days of my trades: 49 days
Total number of trading days of alleged synchronized trades: 19 days
Total number of trading days of alleged synchronized trades (entities with whom purported connection is established): 19 days"

13.10. I note that the Noticee- 7 also made his submissions on the line as submitted by the Noticee above.

13.11. Further, the Noticee10, Mahesh Desai made his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"Upon analyzing the trade logs, the noticee submits as follows:
Total trading sell volume of the Noticee : 39,605 shares (1.97% of the market volume)
Alleged synchronized trade sell volume: 4,475 shares (0.19% of the market volume)
Alleged synchronized trade sell volume (entities with whom purported connection has been established): 4,401 shares (0.17% of the market volume)
Total trading buy volume of the Noticee : 37,347 shares (3.83% of the market volume)
Alleged synchronized trade buy volume: 4,454 shares (0.214% of the market volume)
Alleged synchronized trade buy volume (entities with whom purported connection has been established): 3,489 shares (0.17% of the market volume)
Total number of trading days in investigation period : 95 days Total number of trading days of my trades : 68 days
Total number of trading days of alleged synchronized trades: 20 days
Total number of trading days of alleged synchronized trades (entities with whom purported connection has been established): 17 days
The Noticee is a retail investor and he had carried out buy / sell / trade / investment related transactions in different scrips before, during and after the investigation period. The Noticee states that he is not related to any of the promoter group entity and even it is not alleged in SCN.
The Noticee states that his volume was independent, standalone and of delivery/ intra- day nature. The Noticee has traded in the scrip as per his own conviction, anticipation and strategy. The Noticee has met with all his obligations vis-a-vis trading members. Further, Noticee have been trading on daily basis in other scrips also listed in National Stock Exchange of India Limited and Bombay
Stock Exchange Limited. Noticee craves leave to file Global Summary Report as and when required or called upon."

13.12. Further, the Noticee-11 Firoz Hanifbhai Memon made his submission on the similar lines as the above Noticees whereby with respect to his alleged synchronised trades, he inter alia submitted as under:

"Upon analyzing the trade logs, it is submitted:
17. During the investigation period, out of total 95 trading days I have traded only for 39 days and bought only 86,633 shares and sold only 86,635 shares. And the trades with the alleged group is only for 5 days and not throughout. My total trading sell volume: 86,635 shares (6.85% of the market volume Alleged synchronized trade sell volume: 6900 shares (0.55% of the market volume)
….

A. *I say that during the month of November, 2013 I have not executed a single trade. If I had the intention to execute synchronized trades, I would have traded throughout the investigation period.*
B. *Moreover, out of 11 noticees my trades in the month of September and October have been alleged to be synchronized with only 3 noticees. Out of which connection with Mr. Ashlesh Shah has been set out on the basis of funds received of which no documents relied upon are annexed with the SCN.*
C. *I say that during the month of November, 2013 I have not executed a single trade. If I had the intention to execute synchronized trades, I would have traded throughout the investigation period.*
D. *Moreover, out of 11 noticees my trades in the month of September and October have been alleged to be synchronized with only 3 noticees. Out of which connection with Mr. Ashlesh Shah has been set out on the basis of funds received of which no documents relied upon are annexed with the SCN.*

14. Further, in the interest of natural justice and in terms of Rule 4 (4) of Adjudicating Rules, the Noticees provided with opportunity of personal hearing as hereunder:

Noticee	**Date of hearing**	**Appearance by**
Ashlesh Gunvantbhai Shah	Feb 13, 2019	Mrs. Rinku Valanju On behalf of Noticee-1 and 3
Firoz Hanifbhai Memon	March 11, 2019	Mr. Amit Shah along with Ms. Parinati Jain
Piyush Batukbhai Dave	March 11, 2019	Mr. Akshit Jain on behalf of Noticees-2, 4 and 10
Vipul Virendrakumar Patel	March 11, 2019	Mr. Akshit Jain on behalf of Noticees-2, 4 and 10

Paresh Ramjibhai Chauhan	January 28, 2019	Mr. Pratham Masurekar on behalf of Noticees-6 and 7
Jayshriben Dhirendrakumar Maniar	Feb 13, 2019	Mrs. Rinku Valanju On behalf of Noticee-1 and 3
Amul Gagabhai Deasi	March 11, 2019	Ms. Hiral Shah on behalf of Noticees-5 and 9
Desai Mahesh	March 11, 2019	Mr. Akshit Jain on behalf of Noticees-2, 4 and 10
Shweta Dhiren Agrawal	March 11, 2019	Ms. Hiral Shah on behalf of Noticees-5 and 9
Soni Sanjay Jethalal	March 14, 2019	Ms. Prachi Pandya
Janakray Vithaldas Soni	January 28, 2019	Mr. Pratham Masurekar on behalf of Noticees-6 and 7

15. The Authorized representatives of the Noticee appeared for the hearing and reiterated the submission made vide theor written submission as mentioned in prepares. The hearing proceedings were concluded therewith.

CONSIDERATION OF ISSUES AND FINDINGS

16. After perusal of the material available on record, I have the following issues for consideration viz.,

    I. Whether the Noticees have violated the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2) (a) and 4(2) (g) of SEBI (PFUTP) Regulations, 2003?

    II. Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?

    III. If so, what quantum of monetary penalty should be imposed on the Noticees?

FINDINGS

17. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder.

    ISSUE I: Whether the Noticees have violated the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2) (a) and 4(2) (g) of SEBI (PFUTP) Regulations, 2003?

18. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI (PFUTP Regulations), 2003 which reads as under:

    Regulation 3 of SEBI (PFUTP) Regulations: **-** ***Prohibition of certain dealings in securities***

    3. No person shall directly or indirectly—

    (a) buy, sell or otherwise deal in securities in a fraudulent manner;

    (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive

device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

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

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

Regulation 4 of SEBI (PFUTP) Regulations: - ***Prohibition of manipulative, fraudulent and unfair trade practices***

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

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

19. Before I proceed further, I deem it pertinent to deal with the alleged connections between the Noticees. From the documents available on record, I note that the Noticee-1 was involved in a transfer of money transaction with Noticee-2 on October 26, 2013 as per the bank account statement. Further, Noticee-3 was involved in a transfer of money transaction with Noticee-4 on June 26, 2013 and with Noticee-11 on July 1, 2013 as per the bank account statement. Further, from the KYC documents available on record, I note that the Noticee-3 shares common contact number *9825071515* with Noticee-4 and Noticee-6. I further note that the Noticee-5 shares common contact number *9978344400* with Noticee-7 and Noticee-8 as per the KYC

documents. Further, I note that the Noticee-6 shares common contact number *9727548290* with Noticee-8 and Noticee-10. Further, I note that the Noticee-9 shares common contact number *9904852495* with Noticee-10. At this juncture, I note that all the documents supporting the aforesaid connection has been provided to the Noticees through the course of the proceedings and an opportunity to submit reply on the same has also been provided. I am of the view that KYC based connection provides vital hints of possible connections with regard to the entities connected to each other, especially when the same telephone / mobile phone numbers are used to operate the account as it would facilitate manipulators / operators to have control over such accounts with regard to any communication received from the broker / depository. Further, the transfer of money between the entities as mentioned above further corroborates the prior connection between the entities. In this connection, I note that the Noticees have *inter alia* contended that the phone numbers in their KYC are either do not belong to them or that their phone numbers are appearing in the other Noticee's KYC without their knowledge. In this regard, I am of the opinion that the KYC documents are of a very significant nature that facilitates the approval for carrying out any financial transactions. I also consider the fact that the said documents mandatorily bear their signatures and the Noticees have not disputed carrying out transaction from the accounts that were obtained by submitting the said KYCs that have been relied on in the matter. In such circumstance, the Noticees' submissions cannot be considered in their favour to render them any benefit of doubt. Having observed as above, I however also deem it necessary that such connections are to be seen in the context of their pattern of trading, repetitive nature of trades, more so particularly synchronised in the instant case.

Findings w.r.t Synchronized Trades

20. The trading details of the Noticees during the period of investigation are given below.

S. No.	Name of Entity	Gross Buy	Gross Sell	Net Trade	% of Gross Buy To Market Volume	% of Gross Sell to Market Value
1.	Ashlesh Gunvantbhai Shah	135709	112044	23665	6.77%	5.59%
2.	Firoz Hanifbhai Memon	86633	86635	-2	4.32%	4..32%
3.	Piyush Batukbhai Dave	84486	75796	8690	4.21%	3.78%
4.	Vipul Virendrakumar Patel	76922	63064	13858	3.84%	3.14%
5.	Paresh Ramjibhai Chauhan	64785	62178	2607	3.23%	3.10%
6.	Jayshriben Dhirendrakumar Maniar	39292	141519	-102227	1.96%	7.06%
7.	Amul Gagabhai Deasi	37890	35594	2296	1.89%	1.77%
8.	Desai Mahesh	37347	39605	-2258	1.86%	1.97%
9.	Shweta Dhiren Agrawal	18649	18649	0	0.93%	0.93%
10.	Soni Sanjay Jethalal	15482	17103	-1621	0.77%	0.85%
11.	Janakray Vithaldas Soni	3431	4866	-1435	0.17%	0.24%
	Total Traded volume of the Noticees	**600626**	**657053**	**-56427**	**29.95%**	**32.76%**
	Market Volume	**2005518**	**2005518**			

21. From the above table, I note that the Noticees have accounted for gross buy of 6,00626 shares and gross sell of 6,57,053 shares, which is 29.95% and 32.76% of the market volume respectively.

22. Further, I also note from the trade logs that the trades carried out by the Noticees in the scrip of CTFL during the Investigation period is a net sell trade i.e the net trade sell is 56427 shares. In this regard, I note that some of the Noticees have contributed to the market volume significantly through their sell trades during the Investigation period. Noticee-1 while being a net seller during the Investigation Period, on July 2, 2013 she has sold 32000 shares which amounted to 68.65% of the Market volume i.e 46,617 on that day. Though the transactions are not in the nature of synchronised trades, I find it pertinent to note that, of the said sell transactions of Noticee-1, the connected entity Noticee-3 was the counterparty for 5700 shares i.e 12.23% of market volume (17.8% of the trades of Noticee-1) while Noticee-8 was the counterparty for 1 trade involving 1300 shares. Further, the Noticee-1 through her buy and sell has accounted for 44.86% of the market volume on August 12, 2013 in

which 13,92% was admittedly synchronised as submitted vide her reply dated December 12, 2018. Of the said trades carried out by the Noticee on the said date, I note that all the 5800 shares that were bought by the Noticee-1 were from the Noticee-2. Further, I also note that the Noticee-1 has sold 12120 shares (amounting to 24.66% of the market volume) on July 5,2013 out of which 6400 (i.e. 52.8%) shares were bought by the connected entities i.e Noticee-4 and Noticee-10. Further, on September 26, 2013, I note that the Noticee-1 bought 3000 shares from Noticee-2 all of which was through a synchronised trade (14.90% of the market volume was a synchronised trade). Further, the Noticee-1 also sold 3030 shares on the same day out of which for 3014 shares transfers, the Noticee-2, 4 and 10 were counterparties.

23. I find it very pertinent to note that, apart from the alleged synchronised trades, there has been a consistent pattern of trading among the Noticees where the Noticees are the counterparties for each other in their buy and sell transactions involving significant volume in the nature of transaction as illustrated in the paragraph above. While the connection between the Noticees have been reasonably forthcoming from the noting at para 19 above, the repeated and consistent trading pattern between the Noticees in the nature of trades as mentioned in the paragraph above further corroborates the connection between the entities.

24. Further, I note that synchronized trades are the trades where the buy and sell order quantity and rate are identical and orders for these transactions are placed in a time gap of within one minute. Synchronized trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange.

25. The details of synchronized trades executed by the Noticees are as under:

Buy Client Name	**Sell Client Name**	**Sum of Synchronized Qty.**	**Sum of No. of Trades**	**Sum of No. of Days**	**Sum of % of Client Synchronized Vol. to Mkt. Vol.**	**Sum of % of Client Synchronized Vol. to Client's Total Vol.**	**Sum of No. of Buy Orders**	**Sum of No. of Sell Orders**	**LTP Contribution**
Jayshriben Dhirendrakumar Maniar	Vipul Virendrakumar Patel	13100	9	1	1.42	42.85	1	1	0
Piyush Batukbhai Dave	Ashlesh Gunvantbhai Shah	10323	61	6	1.12	20.07	7	7	-5.35

Buy Client Name	Sell Client Name	Sum of Synchronized Qty.	Sum of No. of Trades	Sum of No. of Days	Sum of % of Client Synchronized Vol. to Mkt. Vol.	Sum of % of Client Synchronized Vol. to Client's Total Vol.	Sum of No. of Buy Orders	Sum of No. of Sell Orders	LTP Contribution
Ashlesh Gunvantbhai Shah	Piyush Batukbhai Dave	9165	37	4	0.99	17.65	4	4	-4.45
Piyush Batukbhai Dave	Jayshriben Dhirendrakumar Maniar	7000	11	2	0.76	13.61	2	2	-0.5
Vipul Virendrakumar Patel	Piyush Batukbhai Dave	6027	20	2	0.65	18.50	2	2	0
Piyush Batukbhai Dave	Vipul Virendrakumar Patel	5500	20	2	0.59	10.69	2	2	2
Piyush Batukbhai Dave	Paresh Ramjibhai Chauhan	3703	40	3	0.40	7.20	4	4	0.45
Vipul Virendrakumar Patel	Firoz Hanifbhai Memon	3200	20	1	0.35	9.82	2	2	0
Jayshriben Dhirendrakumar Maniar	Piyush Batukbhai Dave	3000	10	1	0.32	9.81	1	1	1
Shweta Dhiren Agrawal	Paresh Ramjibhai Chauhan	2500	10	1	0.27	39.68	1	1	1.5
Vipul Virendrakumar Patel	Paresh Ramjibhai Chauhan	2312	30	3	0.25	7.10	3	3	0.6
Piyush Batukbhai Dave	Firoz Hanifbhai Memon	2250	10	1	0.24	4.37	1	1	0.5
Firoz Hanifbhai Memon	Piyush Batukbhai Dave	2250	10	1	0.24	19.62	1	1	2.5
Paresh Ramjibhai Chauhan	Piyush Batukbhai Dave	2132	16	1	0.23	8.82	2	2	0.1
Paresh Ramjibhai Chauhan	Vipul Virendrakumar Patel	1770	30	2	0.19	7.32	3	3	-0.25
Soni Sanjay Jethalal	Desai Mahesh	1709	48	4	0.19	34.51	5	5	-2.55
Ashlesh Gunvantbhai Shah	Firoz Hanifbhai Memon	1700	10	1	0.18	3.27	1	1	-0.15
Ashlesh Gunvantbhai Shah	Vipul Virendrakumar Patel	1695	21	3	0.18	3.27	3	3	-0.5
Ashlesh Gunvantbhai Shah	Paresh Ramjibhai Chauhan	1489	30	3	0.16	2.87	3	3	-3.95
Paresh Ramjibhai Chauhan	Ashlesh Gunvantbhai Shah	1315	10	1	0.14	5.44	1	1	0.1
Piyush Batukbhai Dave	Shweta Dhiren Agrawal	1078	10	1	0.12	2.10	1	1	0
Janakray Vithaldas Soni	Soni Sanjay Jethalal	1000	10	1	0.11	35.24	1	1	0.05
Piyush Batukbhai Dave	Amul Gagabhai Desai	1000	10	1	0.11	1.94	1	1	0.9
Vipul Virendrakumar Patel	Amul Gagabhai Desai	625	10	1	0.07	1.92	1	1	-4
Vipul Virendrakumar Patel	Soni Sanjay Jethalal	600	10	1	0.07	1.84	1	1	5
Amul Gagabhai Desai	Vipul Virendrakumar Patel	600	10	1	0.07	4.24	1	1	-7.4
Janakray Vithaldas Soni	Amul Gagabhai Desai	579	11	2	0.06	20.40	2	2	7
	Total	**87622**	**524**		**9.48**				**-7.4**

26. From the above table, it is observed the Noticees were found to be indulged in synchronized trades for 2 or more days and together traded 87,622 shares that contributed 9.48% to total market volume and 68.58% to total synchronized trades of the group. Considering the total market volume, the contribution of the Noticees in the form of synchronized trades are significant as they were structured and matched only for the purpose of creation of false and misleading markets in terms of artificial volumes.

27. For the purpose of illustration, some of the instances of the alleged synchronized trades executed by the Noticees are furnished hereunder.

Trade Date	Client Name	CP_Client Name	Order Time	CP_Order Time	Trade Time	Order Qty.	CP_Order Qty.	Traded Qty.	Order Rate	CP_Order Rate	Trade Rate
23/10/13	JAYSHRIBEN DHIRENDRAKUMAR MANIAR	VIPUL VIRENDRAKUMAR PATEL	12:22:49	12:22:47	12:22:49	135000	135000	13100	293.5	293.5	293.5
6/9/2013	PIYUSH BATUKBHAI DAVE	ASHLESH GUNVANTBHAI SHAH	12:28:34	12:28:30	12:28:34	4080	4080	408	205.95	205.95	205.95
13/9/2013	SHWETA DHIREN AGRAWAL	CHAUHAN PARESH R	12:18:23	12:18:24	12:18:24	25000	25000	2500	221	221	221
27/9/13	SONI SANJAY JETHALAL	DESAI MAHESH	12:22:54	12:23:02	12:23:02	6600	6003	600	235.5	235.5	235.5
1/10/13	JANAKRAY VITHALDAS SONI	AMUL GAGABHAI DESAI	12:30:19	12:30:16	12:30:19	5780	5780	578	239.9	239.9	239.9
17/10/13	FIROZ HANIFBHAI MEMON	PIYUSH BATUKBHAI DAVE	12:19:05	12:19:06	12:19:06	22500	22500	2250	277.5	277.5	277.5

28. From the above table, I note that the buy and sell orders for the aforesaid trades were structured in terms of quantity, price and time, as there is no difference in the buy quantity, sell quantity, buy rate and sell rate and the time difference between order time and counter party order time are almost same. I note that there is startling proximity in the time of entering of orders at the identical price and quantity which resulted into the matching of the trades. From the trade log, I further note that, such matching of trades has occurred in 2,788 trades in the period mentioned above. I also note from the order log that more than 75% of synchronized trades were executed within 5 seconds of placing order vis-à-vis counterparty order. The consistent pattern of placement of Orders clearly indicates meeting of minds. I am of view that such synchronisation of orders, price and quantity on a regular basis cannot be considered as a mere coincidence especially when such trades were executed between entities which are already connected to each other. The facts that several orders placed by the same entities on various days were also matched clearly indicate the meeting of minds and there cannot be coincidence. I also note that the Noticees had indulged in the trade as noted above which resulted in creation of artificial volumes in the scrip. Such transactions are clearly not genuine and have been entered by the Noticees for creating misleading appearance of trading in the scrip. Therefore, I conclude that the trades executed by the Noticees which were synchronized in terms of time, quantity

and price, were with manipulative intent to artificially create volume in the scrip of CTL.

29. I am of the opinion that "intention" is inherent in all cases of synchronized trading involving large scale price manipulation and the same was also brought out in the case of Nirmal Bang Securities (P) Ltd. vs SEBI by the Hon‟ble SAT (Judgment dated October 31, 2003) whereby it was observed that "*Intention is reflected from the action of the Appellant. Choosing selective time slots does not appear to be an involuntary action.*"

30. I note that the Noticees have primarily contended that the connection of the each individual entity with all the remaining entities has not been established. At this juncture, Further I also note that the Hon'ble SAT in Sparkline Mercantile Co. Pvt. Ltd. Vs SEBI dated 16.01.2012 held as follows:

"*..It is an admitted position that it is difficult to get direct evidence with regard to synchronization of trades for the purpose of upsetting the market equilibrium or to manipulate the market. It is only on the basis of circumstantial evidence that such a connection can be proved…..A large number of trades were executed among the group entities within a minute of placing the order. This cannot happen without prior meeting of minds among the connected entities. From the details of the trades executed and having regard to the trading system, we do not think that such large number of trades could match between the same parties unless the trading system was being abused.*"

31. In view of the aforesaid facts and circumstances and taking into consideration observation recorded at prepara 23, I am of the opinion that the connection between the Noticees is conclusive. At this juncture, I also note the submission of the Noticees that their synchronised trades were miniscule and therefore cannot be said to create aritificial volume. In this regard, I note that, on a standalone basis the said submission may be accepted, however in the facts and circumstances as that of instant case, where the connection has been concluded to be evident, the said submission of the Noticees does not merit consideration as their overall contribution as a group cannot be ignored. (At this juncture it is pertinent to note that a significant sale of shares has

been carried out by the group during the investigation period as noted in the paras above).

32. Further, with respect to the charges against the Noticees with respect to the reversal trades and self-trades, I note that no adverse inference was drawn against the said Noticees considering the negligible amount of volume that were involved and therefore the said issue does not merit consideration against the Noticees before me.

33. . With respect to the Noticees' submission referring to the observations of Hon'ble SAT's order in the matter of Ashlesh Shah Vs SEBI, I note that Hon'ble SAT has upheld that Ashlesh belonged to Soni Group and had set aside the order of SEBI WTM by stating that as the only trade executed by of Ashlesh cannot be termed as manipulative or an effort to create artificial volume. However, in the instant case, all the Noticees have carried out multiple synchronised trades on different dates during the Investigation period and therefore the aforesaid case does not find relevance in the instant case.

34. In view of my observations and findings in the paragraphs above, I conclude that Noticees have violated the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2) (a) and 4(2) (g) of SEBI (PFUTP) Regulations, 2003.

ISSUE- II: Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?

35. Pursuant to detailed analysis as brought out above, it is established that synchronized trades executed by the Noticees are not normal transactions and it clearly demonstrates beyond reasonable doubt the Noticees had intentionally executed these trades and manipulated the volume by artificial trading pattern, which had mislead the investors in taking an informed decision in dealing in the scrip of CTFL.

36. I find that the Noticees by creating artificial volume with the intention of no change in beneficial ownership, leading to false and misleading appearance of trading in the scrip of CTL, have violated the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1),

4(2) (a) and 4(2) (g) of SEBI (PFUTP) Regulations, 2003. Therefore, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act which reads as under:

Section 15HA of SEBI Act - Penalty for fraudulent and unfair trade practices

"If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher".

ISSUE III. If so, what quantum of monetary penalty should be imposed on the Noticees?

37. While determining the quantum of monetary penalty under Section 15HA of SEBI Act, I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

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

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

38. The material available on record has not quantified the amount of disproportionate gain or unfair advantage, if any, made by the Noticees and the loss, if any, suffered by the investors as a result of the said Noticees' aforesaid acts. From the documents available on record, it is noted that no prior default is on record.

ORDER

39. In view of the abovementioned conclusion and after considering the factors under Section 15J of the SEBI Act While I note that the minimum penalty prescribed under section 15HA of the SEBI Act is 5 lakh, I take into consideration the extent of involvement and contribution of each of the Noticees in imposing the quantum of penalty and accordingly in exercise of the powers conferred under Section 15 I of the Securities and Exchange Board of India Act, 1992, and Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995,I hereby impose a penalty of Rs. 7,00,000/- (Rupees Seven lakh only) each on Jayshriben Maniar, Piyush Batukbhai Dave, Ashlesh Gunvanthbhai Shah & Vipul Virendrakumar Patel and Rs. 5,00,000/- (Rupees Five lakh only) each on Paresh Ramjibhai Chauhan & Firoz Hanifbhai Memon and Rs. 4,00,000/- (Rupees Four lakh only) each on Shweta Dhiren Agrawal, Sanjay Jethalal Soni & Amul Gagabhai Desai and Rs. 3,00,000/- (Rupees Three lakh only) each on Janakray Vithaldas Soni & Mahesh Desai for the violation of the provisions of 3(a), 3(b), 3(c), 3(d), 4(1), 4(2) (a) and 4(2) (g) of SEBI (PFUTP) Regulations, 2003 which is appropriate in the facts and circumstances of the case.

40. The aforesaid entities shall remit / pay the said amount of penalty within 45 days of receipt of this order either through e-payment facility into the Bank Account, the details of which are given below:

Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

or by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai.

41. The aforesaid entities above shall forward the following details / confirmation of penalty so paid to the Chief General Manager, Enforcement Department, SEBI Mumbai:

1. Case Name :	
2. Name of Payee:	
3. Date of payment:	
4. Amount Paid:	
5. Transaction No:	
6. Bank Details in which payment is made:	
7.Payment is made for:	Penalty

42. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, a copy of this order is being sent to all the entities at their respective addresses and also to the Securities and Exchange Board of India, Mumbai.

MUMBAI **B J DILIP**
MARCH 29, 2019 **ADJUDICATING OFFICER**