BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. AK/AO- 15-20 /2015]

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

In respect of

Shri Vijay Jamnadas Vora (PAN: ACOPV9937D); **Ms. Hina Vijaykumar Vora** (PAN: AFEPV5742H); **Shri Chetan Dogra** (PAN ABNPD1798C); **M/s. Chetan Dogra HUF** (PAN: AACHC5554P); **Ms. Minoti Dhawan** (PAN: ADSPD1830E); **Shri Manojbhai Rameshchandra Shah** (PAN: AESPS0697H)

In the matter of

M/s. Sky Industries Limited

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI'**) conducted an investigation with respect to trading in the scrip of M/s. Sky Industries Limited (hereinafter referred to as '**SIL'** or '**the company'**) for the period January 1, 2009 to May 10, 2010 (hereinafter referred to as the '**Investigation period'**). The scrip was listed on the Bombay Stock Exchange Limited (hereinafter referred to as **'BSE'**) as well as on Jaipur Stock Exchange Ltd. (hereinafter referred to as **'JSEL'**) and The Calcutta Stock Exchange Ltd. (herein after referred to as **'CSE'**). However, there was no trading in the scrip during the investigation period on JSEL and CSE.

2. Investigation *inter alia* further observed from the trading details that Shri Vijay Jamnadas Vora (Shri Vijay Vora), Ms. Hina Vijaykumar Vora (Ms. Hina Vora), Shri Chetan Dogra, M/s. Chetan Dogra HUF, Ms. Minoti Dhawan and Shri Manojbhai

Rameshchandra Shah (Shri Manojbhai Shah) (hereinafter collectively referred to as **'the Noticees'**) executed reversal/ synchronized trades with connected clients/ self trades, as applicable, in the scrip of SIL during the investigation period. Further, the overall impact of the trading of the Noticees on the price of the scrip was found to be positive. Shri Vijay Vora and Ms. Hina Vora were also observed to have transferred shares in off market that were used in manipulative trades. Consequently, it was alleged that the Noticees entered into reversal/ synchronized/ self trades, as applicable, which created artificial volume and price in the scrip, leading to false and misleading appearance of trading in the scrip in the securities market, and hence, allegedly fraudulent. Thus, it was alleged that the acts of Shri Vijay Vora and Ms. Hina Vora are in violation of Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (d), (e) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations'**). Further, Shri Chetan Dogra, M/s. Chetan Dogra HUF, Ms. Minoti Dhawan and Shri Manojbhai Shah were alleged to have violated Regulation 3(a), (b), (c) (d), 4 (1), 4(2) (a), (b), (e) and (g) of PFUTP Regulations. In addition, Shri Vijay Vora was also alleged to have failed to file requisite disclosures required in terms of Regulation 13(3) of the SEBI (Prohibition of Insider Trading) Regulations 1992 (hereinafter referred to as '**PIT Regulations'**) and Regulation 7 (1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as **Takeover Regulations, 1997**) read with Regulation 35 (2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as **Takeover Regulations, 2011**).

APPOINTMENT OF ADJUDICATING OFFICER

3. Ms. Barnali Mukherjee was appointed as Adjudicating Officer on April 05, 2013 under section 15-I of SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **'SEBI Rules'**) to inquire into and adjudge the alleged violations committed by the

Noticees. Consequent upon transfer of Ms. Barnali Mukherjee, I was appointed as the Adjudicating Officer vide order dated August 08, 2013 under Section 15-I of the SEBI Act read with rule 3 of SEBI Rules to inquire into and adjudge under Section 15HA of the SEBI Act for the alleged violation of PFUTP Regulations by the Noticees and also under Section 15A(b) of the SEBI Act for the alleged violation of PIT Regulations and Takeover Regulations, 1997 by the Noticee Shri Vijay Vora.

SHOW CAUSE NOTICE, HEARING AND REPLY

4. Show Cause Notice Nos. EAD-6/BM/VG/ 11569 /2013, EAD-6/BM/VG/ 11570 /2013, EAD-6/BM/VG/ 11586 /2013, EAD-6/BM/VG/11585/2013, EAD-6/BM/VG/ 11583 /2013 and EAD-6/BM/VG/11594/2013 dated May 15, 2013 (hereinafter referred to as '**SCN'**) were issued to the Noticees under rule 4 of the Rules to show cause as to why an inquiry should not be held and penalty be not imposed under section 15HA of SEBI Act on the Noticees and further under section 15A(b) of SEBI Act on Shri Vijay Vora for the alleged violation specified in the said SCN. The Noticees were advised to file their reply within 14 days from the date of receipt of the SCN. The SCN was delivered to all the Noticees other than Shri Chetan Dogra and M/s. Chetan Dogra HUF. Accordingly, vide letter dated June 17, 2013, the SCN was affixed at the address of both the aforenamed Noticees, i.e. Shri Chetan Dogra and M/s. Chetan Dogra HUF. However, no reply was received from any of the Noticees. Accordingly, vide notices dated August 06, 2013, the Noticees were again advised to submit their reply and were also informed that in the event of failure to file a reply, it would be presumed that the Noticees had no reply to submit and that the matter would be proceeded on the basis of material available on record. The said notice of reminder was returned undelivered from the address of Shri Chetan Dogra, M/s. Chetan Dogra HUF and Shri Manojbhai Shah. The notice of reminder was delivered to Shri Vijay Vora, Ms.Hina Vora and Ms. Minoti Dhawan.

5. Vide letter dated August 22, 2013, Ms. Minoti Dhawan replied to the SCN *inter alia* submitting as follows:
   - *(a) That she was a widow and her husband late Shri Sandeep Dhawan was a Chartered Accountant and that he had been taking decisions and had been operating her demat accounts for investment and trading in shares;*
   - *(b) That her husband had passed away in November 2012. A copy of the death certificate of her husband was enclosed thereof;*
   - *(c) That she was not much aware about the matters discussed in the SCN sent to her;*
   - *(d) That any purchase or sale of shares of SIL was done by her late husband as a bonafide investor and there was no undue gain or benefit derived by her due to his dealing of shares in the SIL scrip;*
   - *(e) That she neither knew, nor, had any relationship with other persons/ entities mentioned in the SCN;*
   - *(f) That her name was not in the list of persons holding more than 1% shares of SIL;*
   - *(g) That she has been shown as related to the other Noticees because of an off market transfer from Shri Chetan Dogra, however, the said transaction was only of 600 shares;*
   - *(h) That the transactions were executed on the trading platform of BSE with no specific buyers/ sellers;*
   - *(i) That the alleged synchronized trades may just be a coincidence and comprise only 39.64% of the total trades from her account;*
   - *(j) That there was no allegation as regards self trades or non-disclosures against her.*

6. However, no reply was received from the other Noticees viz. Shri Vijay Vora and Ms. Hina Vora to whom the notice of reminder was delivered. In the interest of natural justice, all the Noticees were granted an opportunity for personal hearing before me on October 04, 2013 vide hearing notice dated September 11, 2013.

7. Ms. Minoti Dhawan vide letter dated September 25, 2013 *inter alia* stated that her family was going through a major financial distress and due to the same appointing a representative in Mumbai or bearing the cost of air tickets to attend the hearing would be burdensome, and hence, requested for an adjournment to second week of November 2013, so that she could book the rail tickets accordingly. Her request was acceded to and she was granted another opportunity of personal hearing on November 13, 2013. Thereafter, on the scheduled date Ms. Minoti Dhawan appeared in person along with her son Shri Vinetra Dhawan and Shri V K Bhandari, her Authorized Representative and reiterated the submissions made in the written submissions. She also undertook to file further written submissions by November 29, 2013. She was also advised to submit documentary evidence, if any, that her late husband traded on her behalf. Vide email dated November 30, 2013, Ms. Minoti Dhawan sought extension of time to file the written submissions/ documents and her request was acceded to. Subsequently, vide letter dated December 26, 2013, Ms. Minoti Dhawan filed written submissions, reiterating submissions made earlier and further *inter alia* submitting as follows:

   (a) That her late husband being a Chartered Accountant could not do business in his own name, as such, undertook business of share investment and trading in her name;

   (b) That she did not have any knowledge of shares, nor of any such business, but, being an orthodox Indian housewife, used to sign the documents told by her late husband. That the said business was immediately and unavoidably closed on his death in November 2012;

   (c) That she did not have any knowledge of transactions undertaken by her late husband;

   (d) That on enquiries and collecting information and documents about her late husband's business and activities, it was realized that her late husband had opened a current account with the Citizens Urban Cooperative Bank Ltd., Jalandhar in the name of M/s. Dhawan Investments, with her as the proprietor. The said account was used for undertaking share transactions and that her late

husband solely used to operate the said account. A copy of the bank certificate dated December 24, 2013 certifying that her late husband Shri Sandeep Kumar Dhawan was authorized to operate the current account in the name of M/s. Dhawan Investment, where Ms. Minoti Dhawan was a proprietor, as per the authority letter provided to the bank by Ms. Minoti Dhawan was enclosed along with the submissions made vide letter dated December 26, 2013;

(e) That her husband had also taken a working capital business loan of Rs.60 lacs from the Citizens Urban Cooperative Bank Ltd. in his name for share trading and investment business against the mortgage of his ancestral residential house and the said loan is still outstanding. A copy of the bank statement of the said account was enclosed. A perusal of the said bank statement revealed that large amounts of cash ranging between Rs. 50,000 per day to more than Rs. 18 lacs per day were deposited in the said account on a regular basis and transferred to the current account of M/s. Dhawan Investment, where Ms. Minoti Dhawan was a proprietor;

(f) A copy of a Memorandum of Understanding (hereinafter referred to as ***'MoU'****) signed between Ms. Minoti Dhawan herself and her late husband on January 10, 2001, whereby Ms. Minoti Dhawan had purportedly authorized her husband to use her name to carry on the business of transacting in shares, mutual funds and other investments was provided. A perusal of the said MoU revealed that the said MoU inter alia made the late husband of Ms. Minoti Dhawan liable for any civil or criminal action initiated by any person at any stage.*

8. Further, though the notices were being delivered to Shri Vijay Vora and Ms. Hina Vora, they neither replied, nor, appeared for the personal hearing. Vide hearing notice dated October 21, 2014, Shri Vijay Vora and Ms. Hina Vora were granted another opportunity for personal hearing on November 19, 2013. However, once again the Noticees viz. Shri Vijay Vora and Ms. Hina Vora failed to appear for the hearing. Vide letter dated December 18, 2013, a compact disc (CD) containing the order log, trade log and price volume (PV) analysis of the scrip during investigation

period was also provided to Shri Vijay Vora and Ms. Hina Vora and the same was delivered to the said two noticee's address.

9. Further though the SCNs were delivered/ affixed, the letters of reminder and hearing Notices were returned undelivered from the address of Shri Chetan Dogra, M/s. Chetan Dogra HUF and Shri Manojbhai Shah. Hence, a newspaper advertisement was issued on December 07, 2013 in the 'The Times of India' regarding the undelivered notices. Shri Chetan Dogra, M/s. Chetan Dogra HUF and Shri Manojbhai R Shah were also granted an opportunity for personal hearing on December 20, 2013 through the newspaper advertisement.

10. Post publication of the notices, letter dated December 17, 2013 was received from Shri A.K. Bansal, M/s. A.K. & Advocates *inter alia* stating that they had been appointed by Shri Chetan Dogra to deal with the matter. A copy of the Authority Letter dated December 17, 2013 signed by Shri Chetan Dogra authorizing Shri A.K. Bansal, Proprietor, M/s. A.K. & Associates to appear and plead on his behalf in the matter was provided with the said letter. It was further stated by Shri A.K. Bansal, M/s. A.K. & Advocates (hereinafter referred to as '**AR of Shri Chetan Dogra'**) vide the aforesaid letter dated December 17, 2013 that the original would be submitted upon receiving the same from his client. However, the original authority letter was never submitted by Shi A.K. Bansal and I am constrained to proceed on the basis of the photocopy provided. The AR of Shri Chetan Dogra vide the said letter further stated that Shri Chetan Dogra had come to know of the present Adjudication Proceedings through the publication in the Times of India and requested that he be provided the relevant documents/ gist of proceedings upon which enquiry is proposed to be conducted in respect of the Adjudication Proceedings. In the matter, I observe that the address of the Noticee Shri Chetan Dogra mentioned in the letter of the AR of Shri Chetan Dogra was the same as the address from where the letters were being returned undelivered. However, in view of the request made as such by the AR of Shri Chetan Dogra, the SCN issued to Shri Chetan Dogra and M/s. Chetan Dogra HUF

along with soft copy of the Order Log, Trade Log and PV analysis of the scrip was sent to Shri A.K. Bansal, M/s. A.K. & Associates, AR of Shri Chetan Dogra both by post vide letter dated December 26, 2013 and also by e-mail dated December 23, 2013. The AR of Shri Chetan Dogra had also requested vide the aforesaid letter that the hearing be adjourned. Hence, the hearing was adjourned to January 10, 2014 and the same was intimated to the AR of Shri Chetan Dogra vide the aforesaid letter dated December 26, 2013 / email dated December 23, 2013. Thereafter, vide letter dated January 04, 2014, AR of Shri Chetan Dogra filed reply on behalf of Shri Chetan Dogra and M/s. Chetan Dogra HUF, *inter alia* submitting as follows:

(a) That Shri Chetan Dogra and M/s.Chetan Dogra (HUF) are only small traders / investors in the stock market;

(b) That the names of Shri Chetan Dogra and M/s. Chetan Dogra HUF do not appear in the list of top ten traders;

(c) That Shri Chetan Dogra buying 70,282 shares i.e. 1.57% is a small, meager and insignificant trade and the name appearing in even 1.57% is incidental. Similarly, Shri Chetan Dogra selling 1,07,719 shares i.e. 2.41% is again only incidental and are normal buying and selling trades of a small investor;

(d) That Shri Chetan Dogra and M/s. Chetan Dogra HUF are small independent entities and cannot be responsible for the actions/ trades in the stock market done by Shri Vijay Vora/ Ms. Hina Vora, though they have been clubbed into a group;

(e) The trades of Shri Vijay Vora, Ms. Hina Vora have nothing to do with them;

(f) That while buying or selling with the brokers on the terminal, one does not know who the other buyer/ seller is;

(g) That the trades of 228 shares, 2,785 shares and 3,750 shares and other party happening to be Shri Vijay Vora/ Ms. Hira Vora is pure happenstance/ coincidence and there was certainly no synchronizing of trades or any trades done with ulterior motive;

(h) That in respect of 62,415 shares purchased off-market from Ms. Hina Vora, payments were duly made in course of time and there were no synchronized trades;

(i) That Shri Chetan Dogra has only done normal buying and selling as a trader and the name of Ms. Minoti Dhawan as the other party is only incidental;

(j) That the trades of 34,340 shares and 37,999 shares are of small quantity and miniscule in nature when compared to the total traded volume;

(k) Shri Chetan Dogra's trades for 7,202 shares are small, meager, insignificant trades and were just normal trades of small traders/ investors in stock market and none of the trades were synchronised;

(l) That in respect of synchronized trades for 3,293 shares and self trades for 1,405 shares, it was unintentional and could have been done by mistake in a hurry;

(m) That as regards the shares purchased off market and payments duly made for them, there was no wrong doing;

(n) That Shri Chetan Dogra and M/s. Chetan Dogra HUF have nothing to do with Shri Manojbhai Shah, who is not known to them either by name/ face or otherwise and have never done any trade/ business with them;

(o) That percentage to positive and negative LTP of Shri Chetan Dogra being 1.21% and 0.76% respectively and that of M/s. Chetan Dogra HUF being 0.68% and 0.59% respectively are very small, insignificant and meager in quantity and any allegation regarding acting in group is superficial;

(p) That Shri Chetan Dogra and M/s. Chetan Dogra HUF are not connected with the company in any manner and are not responsible for their functioning;

(q) That trades of Shri Chetan Dogra and M/s. Chetan Dogra HUF were of small quantity and can certainly not be treated as having done in a group with any fraudulent intent;

(r) That Shri Chetan Dogra and M/s. Chetan Dogra HUF never acted in concert with any group.

11. Further, with respect to the personal hearing scheduled for January 10, 2014, the AR of Shri Chetan Dogra vide letter dated January 08, 2014 once again requested for an adjournment and the same was granted.

12. No reply, however, was received from Shri Manojbhai Shah.

13. Thereafter, Supplementary Show Cause Notices dated May 20, 2014 (hereinafter referred to as '**Supplementary SCN'**) were issued to Shri Vijay Vora, Ms. Hina Vora, Shri Chetan Dogra, M/s. Chetan Dogra HUF and Shri Manojbhai Shah for elaborating through certain instances the charge set out in the SCN.

14. The supplementary SCN was returned undelivered from the address of Shri Chetan Dogra and M/s. Chetan Dogra HUF, with the remark 'Addressee not known', even though the replies filed by the AR of Shri Chetan Dogra had mentioned the same address. The SCN along with annexures was also emailed to the AR of Shri Chetan Dogra. However, no reply was received. Thereafter, the Supplementary SCNs were again sent to Shri Chetan Dogra and M/s. Chetan Dogra HUF along with hearing notice dated August 11, 2014 granting opportunity of personal hearing on August 28, 2014. A copy of the same was also forwarded to the address of AR of Shri Chetan Dogra. However, the hearing notice and Supplementary SCN could not again be delivered. The acknowledgement in respect of the copies sent to the AR of Shri Chetan Dogra was also never received. Thereafter on October 07, 2014, the Supplementary SCN along with a CD containing the annexures and copies of email sent to AR of Shri Chetan Dogra were affixed at the following address of Shri Chetan Dogra and M/s. Chetan Dogra HUF: 801, Tower-1, NRI Complex, Seawoods Estate, Palm Beach Road, Nerul, Navi Mumbai – 400706. The same address was also mentioned on the reply filed by the AR of Shri Chetan Dogra on behalf of Shri Chetan Dogra and M/s. Chetan Dogra HUF. A hearing notice dated October 7, 2014 granting a final opportunity for personal hearing on October 29, 2014 was also affixed. However, no further reply was received from the Noticees viz. Shri Chetan Dogra and M/s. Chetan Dogra HUF. In view of the same, it was considered proper to

proceed in the matter against Shri Chetan Dogra and M/s. Chetan Dogra HUF on the basis of material available on record and taking into consideration the reply dated January 04, 2014 filed on their behalf by the AR of Shri Chetan Dogra.

15. The Supplementary SCN issued to Shri Manojbhai Shah was delivered to his address. However, once again no reply was received. Thereafter, a hearing notice dated August 11, 2014 granting an opportunity of hearing on August 28, 2014 and again enclosing therewith the SCN and Supplementary SCN were affixed at the Noticee Shri Manojbhai Shah's address. Pursuant to the same, vide letter dated August 22, 2014, Shri Manojbhai Shah stated that he had received the SCN and Supplementary SCN through his neighbour on August 21, 2014. He further stated that this was the first notice received by him, ever since he and his family had migrated to United States of America (USA) in the year 2011. The Noticee Shri Manojbhai Shah sought an adjournment of the hearing and also extension of time to file his reply in the matter. The Noticee Shri Manojbhai Shah also requested that all future correspondence be made at his email address manojrshah1967@gmail.com or at his residential address at USA viz. 4426, Calle Mayor St., Apt No. 3, Torrance CA 90505 USA.

16. Accordingly, vide email dated August 27, 2014, the Noticee Shri Manojbhai Shah was forwarded as attachments, the Show Cause Notice (SCN) dated May 15, 2013, Supplementary SCN dated May 20, 2014, and the Annexures to both. Further, all letters and hearing notices previously forwarded to the Noticee Shri Manojbhai Shah along with proof of delivery and publication were also attached. The Noticee Shri Manojbhai Shah was advised to file a reply within 14 days and a personal hearing was scheduled for September 18, 2014. Thereafter, on September 18, 2014, Shri Prakash D Shah, Shri JJ Bhatt and Shri Vivek Shah, the Authorized Representatives (ARs) of Manojbhai Shah appeared for the personal hearing. The ARs requested that they be provided all the annexures to the SCN again. Their request was acceded to and they were provided with the same. The ARs of Shri Manojbhai Shah also filed written submissions to the SCN and Supplementary SCN *inter alia* stating as follows:

(a) That Shri Manojbhai Shah had to receive some amount from Mr. Shri Vijay Vora for past services rendered and as he could not pay the same, Shri Vijay Vora transferred equity shares of different quantities of about thirty five companies in demat mode from his demat account to Shri Manojbhai Shah's demat account on February 06, 2009 in off-market transaction. These shares included transfer of 1,60,306 shares of SIL;

(b) That apart from the above transaction Shri Manojbhai Shah had no other dealing, relationship or connection with Shri Vijay Vora. Shri Vijay Vora is not his relative, nor, does he know Shri Vijay Vora's wife Ms. Hina Vora and has never met her;

(c) That Shri Manojbhai Shah is not a promoter or director of SIL and had received shares of SIL for first time in his demat account;

(d) That the proceedings suffer from great delay which delay is not even explained;

(e) That Shri Manojbhai Shah had not bought a single share of SIL during investigation period and that his sales were hundred percent delivery based;

(f) That Shri Manojbhai Shah has been wrongly bunched, lumped, clubbed, included and tied to the Noticees as his only sales of 1,34,050 SIL shares on 18 days spread over six months was independent, separate, distinct and stand alone as per his funds requirement;

(g) That except one stray off-market dealing, no other material is shown to connect Shri Manojbhai Shah with Shri Vijay Vora. Further that nothing is shown to relate Shri Manojbhai Shah to Shri Vijay Vora's wife Ms. Hina Vora, Shri Chetan Dogra and Ms. Minoti Dhawan;

(h) That Shri Manojbhai Shah's delivery based sales of shares on a few days intermittently in tranches cannot be considered as fraudulent;

(i) That after Shri Vijay Vora transferred 1,60,306 shares of SIL to the demat account of Shri Manojbhai Shah in off-market, he started selling shares of SIL (and of other scrips) from February 24, 2009 through his broker on BSE, since he was in need of funds;

(j) That Shri Manojbhai Shah's sales of 1,34,050 shares which were backed by deliveries (and there was no buying, no intra-day trading) took place during the investigation period as follows: 27,050 shares in February 2009; 35,000 shares in May 2009; 35,000 shares in June 2009; 6,000 shares in August 2009; 6,000 shares in September 2009 and 25,000 shares in January 2010;

(k) That Shri Manojbhai Shah had not sold SIL shares every day/ every month and that his sales were delivery based and that he had tendered delivery from his pre-existing stock in his demat account;

(l) That Shri Manojbhai Shah had sold other scrips also during the investigation period which were received in off-market from Shri Vijay Vora;

(m) Assuming but without admitting, that Shri Manojbhai Shah's volume was synchronized, even then Shri Vijay Vora's purchases of shares from Shri Manojbhai Shah amounted to a meagre 2.71% of his gross volume and that of Ms. Hina Vora amounted to 5.61% of her gross volume. No one can conclude, connive and conspire of such a miniscule quantity of shares spread over about 12 months / 17 months;

(n) That such synchronised orders in the nature of negotiated deals at ruling market prices for delivery backed sales is permissible in terms of SEBI's circular dated September 14, 1999. In the context Hon'ble SAT's Order dated August 05, 2010 in Appeal no.164/2009 - Porecha Global Securities Pvt. Ltd. v/s SEBI has been cited;

(o) That Shri Vijay Vora/ Ms. Hina Vora have traded on days/ months on which Shri Manojbhai Shah did not do any trading, whereas Shri Manojbhai Shah's only sales of shares was on 18 days spread over 6 months and out of 17 months of investigation period;

(p) That delivery based volume can by no stretch of imagination be treated as artificial. Other volume in the market – pre and post Shri Manojbhai Shah's volume on February 24, 2009 – too was delivery based. Balance volume (market volume less Shri Manojbhai Shah's volume) of trading if it got attracted on account of his volume if at all, resulted into deliveries only – consequently

market volume was 100% delivery based. That in the scenario, there is no question of Shri Manojbhai Shah's volume/ market volume being treated as artificial and consequently fraudulent attracting FUTP Regulations;

(q) That no role, involvement or participation is shown in huge volume of Shri Vijay Vora and Ms. Hina Vora. Further no role of Shri Manojbhai Shah in trading volume of alleged group entities – Shri Chetan Dogra and Ms. Minoti Dhawan has been shown;

(r) That connecting Shri Manojbhai Shah with Shri Vijay Vora / Ms. Hina Vora on the basis of some trade data is not correct, since in the screen based trading counterparty is not revealed, as order get matched on price and time priority criterion. If in the market place, there were few interested buyers and few sellers in the scrip, the orders were bound to get matched amongst these entities only. Such matching per se did not amount to any fraudulent trading;

(s) That with regard to price on February 24, 2009, it is observed that the same was in line with the prevailing pattern of prices of previous days and prices of subsequent days;

(t) That in hindsight, it appears that the SIL scrip was thinly traded and Shri Vijay Vora/ Ms. Hina Vora had interest in the said scrip;

(u) That off market trades do not pass through clearing and settlement mechanism of BSE and hence do not come within the ambit, purview, compass and regulatory jurisdiction of BSE/ SEBI;

(v) That not a single trade of Shri Manojbhai Shah has been considered as synchronized one. Not a single trade of Shri Manojbhai Shah has resulted in self trade or reversal trade and not a single trade of Shri Manojbhai Shah on market is manipulative/ objectionable and did not affect or contribute to any price rise in SIL scrip;

(w) That details and data gathered/ captured of every order/ trade are under 91 heads/ columns, whereas in the annexure of supplementary SCN only few details on 'pick and choose' basis of objectionable alleged order/ trade has been furnished. A statement of heads of trade / order logs under which details are

gathered / available with SEBI has not been furnished in respect of the alleged synchronized trades.

17. The ARs on behalf of Shri Manojbhai Shah also undertook to file additional written submissions by October 07, 2014. Accordingly, vide letter dated October 3, 2014, ARs on behalf of Shri Manojbhai Shah *inter alia* further submitted as under:
   - *(a) That there was only one stray off market dealing of Shri Manojbhai Shah with Shri Vijay Vora and this transaction when carried out had no effect on the market on February 06, 2009*;
   - *(b) That Shri Manojbhai Shah had not met any third party's settlement obligation by parting shares received through off*-market;
   - *(c) That Shri Manojbhai Shah sold shares from February 24, 2009 onwards and tendered his shares (that were held for 19 days) to meet his settlement obligations only to BSE;*
   - *(d) That except one off-market direct transaction, he had no other dealing off-market or on-market with Shri Vijay Vora or Ms. Hina Vora;*
   - *(e) That Shri Manojbhai Shah's holding period of SIL shares varied from a minimum of 19 days to 11 months. Not a single share of SIL was bought;*
   - *(f) That there was no off market or any dealing of Shri Manojbhai Shah with Ms. Hina Vora. Therefore, linking Shri Manojbhai Shah to her is without any basis;*
   - *(g) That off market transactions are outside the purview of SEBI (Delhi High Court - Suresh Gupta v/s SEBI);*
   - *(h) That Shri Manojbhai Shah does not agree that he 'transferred back' 25,350 shares to Ms. Hina Vora /Shri Vijay Vora. Shri Manojbhai Shah did not receive a single share of SIL from Ms. Hina Vora earlier - so there was no question of 'transferring back' any share to her;*
   - *(i) With respect to the illustrations in the supplementary SCN, on February 24, 2009, Shri Manojbhai Shah's broker keyed-in sale order (type 'L') No. 4400100030363882 at 13:44:10 for 10,050 shares with revealed quantity of 1,050 shares on the trading screen. Further, Ms. Hina Vora's broker had input the buy orders as under:*

Time	Order No	Qty	Revealed Qty	Rate Rs.
13:44:30	205244	1000	-	90.90
13:44:52	205245	1000	-	90.90
13:47:44	205252	5000	-	90.90
13:47:56	205253	100	-	90.90
Total		**7100**		

Trades particulars of the above two

Time	Qty	Rate Rs.
13:44:31	1000	90.90
13:44:53	1000	90.90
13:47:45	5000	90.90
13:47:56	100	90.90
Total	**7100**	

Hence, against one sale order of 10,050 shares of Shri Manojbhai Shah, Ms. Hina Vora's broker's four buy orders totalling to 7,100 shares got executed in the course of next 46 seconds. From the order input pattern, different quantities of buy/sell orders, sell order's quantity not matching with total buy quantity (of 4 buy orders / trades) show there was no prior meeting of minds. Had there been prior meeting of minds, there would have been one trade only with all components - time, quantity, price, revealed quantity, order type etc. - being same of buy order as well as sell order. Further against the sale order of Shri Manojbhai Shah, buy orders of the intervening parties too got executed at the same rate i.e. Rs.90.90. Thus the sequence of matching with different buy orders of different parties, different quantities rule out of any meeting of minds;

(j) That against sell orders of a larger quantity of Shri Manojbhai Shah, many buy orders of small quantities got matched and resulted into trades of such small quantities also, thus, there was no prior meeting of minds and synchronisation of orders;

(k) That if one wants a definite exit, then a seller with a larger quantity to sell would put slightly lower rate than the ruling market price so as to ensure that his sale order results into sale trade;

(l) That Shri Manojbhai Shah's one sale order no. 363884 for 10,000 shares at Rs.90.90 at 13:55:44 got executed between 13:59:08 to 14:12:27 in about 30 trades against 4 counter brokers for Ms. Hina Vora (7,350 shares) and Shri Vijay

Vora (2,650 shares), which all buy orders were subsequent to sale order. Had there been a prior meeting of minds, the sale order would not have remained displayed for such a long time of 16 minutes and there would have been no need for 30 buy trades to happen against one sale order of the Noticee;

(m) That Shri Manojbhai Shah's one sale order of 5,500 shares at 14:15:06 at Rs.91.80 got matched against 8 buy orders of counter parties from 14:16:48 to 14:35:02 which shows that buyers were lacking in the said SIL scrip, even after reduction of 10 paise in the rate by the Noticee (seller). Shri Vijay Vora bought 3,100 shares while Ms. Hina Vora bought 2,200 shares, 200 shares being bought by intervening third party. Buy orders quantity of shares of counter parties were different and buyers bought after seeing sale order on the screen;

(n) With regard to Shri Manojbhai Shah's sale trade at 14:34:04 for 1,500 shares at Rs.91.80, it appears that this order got matched at 14:35:02 against Ms Hina Vora's buy order of 2,000 shares at Rs.92. Trade took place for 1,500 shares at Rs.91.80 (and not at Rs.92 as wrongly stated) as the seller's order which was first in point of time got priority for matching against buy order which was later in point of time;

(o) Further Ms. Hina Vora's 3 different orders at different times totalling to 4,000 shares and Shri Vijay Vora's 4 different orders at different times totalling to 31,000 shares and all 7 buy orders resulting into 7 trades of 5,300 shares (200 shares matching with another counter party) against Shri Manojbhai Shah's one sale order of 5,500 shares at 14:15:06 show that the minds of Shri Manojbhai Shah / Shri Manojbhai Shah's broker on the one hand and the minds of counter brokers / end buyers on the other did not meet and were not on the same wave length and there was, thus, no prior meeting of minds to synchronize orders;

(p) That it is denied that Shri Manojbhai Shah placed sell orders at lower prices as alleged or otherwise. Assuming, but, without admitting the alleged sale price were lower, they were however in sync with the ruling market price, within permissible range and then the difference was insignificant. Looking to the scrip's movement - volume, price, public interest etc. the seller had to take a call

of a few paise difference if he really wanted to exit the scrip. There was therefore nothing per se illegal in the trading pattern of Shri Manojbhai Shah which was 100% delivery based and real. Shri Manojbhai Shah sold shares for consideration through market mechanism and delivered sold shares towards his settlement obligation to BSE and has not 'transferred back to Shri Vijay Vora/ (Hina Vora)' as wrongly inferred / concluded / alleged;

(q) That Shri Manojbhai Shah's volume could not / did not result into artificial volume in the scrip as it was 100% delivery based on all days he traded in the market;

(r) ARs have further referred to the following orders:

- *2008 11 SCC 617 Bharjatiya Steel Industries V/s. Commissioner, Sales Tax, Uttar Pradesh to state that Para 21 and 22 of the judgement clarifies SEBI V/s. Shriram Mutual Fund, the earlier order of the Hon'ble Supreme Court;*
- *Hon'ble Securities Appellate Tribunal (SAT) Order in Appeal No. 95 of 2013 wherein it was held that "....we reiterate once again that when it comes to synchronised trading, it is an accepted and by now well settled position that such trading in itself would not tantamount to any wrongdoing. It is objectionable only if it is illegitimate and is the outcome of a mischievous meeting of minds among certain parties which may with or without an element of mens rea as such"*

18. Further, once again though the Supplementary SCN was delivered to Shri Vijay Vora and Ms. Hina Vora, no reply was received from them. Though the SCN, Supplementary SCN, letter of reminder, notices of hearing had been delivered to Shri Vijay Vora and Ms. Hina Vora, no reply was received from them. However, since the aforesaid communication was sent through speed post acknowledgement due, following the judgment of the Hon'ble Securities Appellate Tribunal (SAT) in the matter of Shri *Vilas Valunji Vs. SEBI,* a hearing notice dated August 11, 2014 enclosing therewith previous hearing notices, the SCN, supplementary SCN, letter of reminder, CD with Annexures as well as the acknowledgments therefor were sent to Shri Vijay Vora and Ms. Hina Vora by registered post. The said hearing notice dated

August 11, 2014 was delivered to Shri Vijay Vora and Ms. Hina Vora and the registered post Acknowledgement card is available on record. However, Shri Vijay Vora and Ms. Hina Vora did not file any reply in the matter. In view of the same, I am compelled to proceed in the matter against Shri Vijay Vora and Ms. Hina Vora *ex parte.*

19. Due to the exigencies caused by non delivery/ non reply by the Noticees, considerable time had passed from the last hearing granted to Ms. Minoti Dhawan. In the interest of natural justice, Ms. Minoti Dhawan was informed that if she desired to file any further written submissions or desired another opportunity of personal hearing in the matter, she could communicate the same by November 14, 2014. In reply to the same, Ms. Minoti Dhawan stated that she wanted to file certain documents and also Authorized Shri VK Bhandari to appear for a personal hearing on her behalf. Accordingly, a personal hearing was conducted on December 4, 2014, wherein the AR of the Noticee reiterated the submissions made in her earlier replies. The AR also requested that a lenient view be taken in the matter in light of the circumstances brought out in the replies submitted and the fact that the Noticee Ms. Minoti Dhawan's husband traded in the scrip on her behalf and has since expired.

CONSIDERATION OF ISSUES AND FINDINGS

20. I have carefully examined the SCN, Supplementary SCN, replies and submissions wherever made by the Noticees and the documents available on record. The issues that arise for consideration in the present case are:

    a) Whether the Noticees executed self/ reversal/ synchronised trades, as applicable, which created artificial volume in the scrip leading to false and misleading appearance of trading in the scrip?
    b) Whether further the overall impact of the trading of the Noticees on the price of the scrip was found to be positive?

c) Whether Shri Vijay Vora and Ms. Hina Vora by transferring shares in off-market to Shri Manojbhai Shah and Shri Chetan Dogra respectively had induced them to deal in the SIL scrip with the object of causing fluctuation in the price of SIL scrip?;

d) If so, whether Shri Vijay Vora and Ms. Hina Vora are in violation of Regulations 3 (a), (b), (c) (d), Regulation 4 (1), 4(2) (a), (b), (d), (e) and (g) of PFUTP Regulations and whether Shri Chetan Dogra, M/s. Chetan Dogra HUF, Ms. Minoti Dhawan, and Shri Manojbhai Shah are in violation of Regulations 3 (a), (b), (c) (d), Regulation 4 (1), 4(2) (a), (b), (e) and (g) of PFUTP Regulations?

e) Further, whether Shri Vijay Vora failed to make disclosures under Regulation 13(3) of the PIT Regulations and/ or Regulation 7(1) of the Takeover Regulations, 1997 read with Regulation 35 (2) of Takeover Regulations, 2011, as applicable?

f) Does the violations of PFUTP Regulations by the Noticees, if any, attract monetary penalty under section 15HA of the SEBI Act, 1992? Further, whether the violation of PIT Regulations and/ or Takeover Regulations, 1997, if any, by Shri Vijay Vora attract monetary penalty under section 15A(b) of the SEBI Act?

g) If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of the SEBI Act?

21. Before moving forward, it will be appropriate to refer to the relevant provisions of the aforementioned Regulations and the SEBI Act, 1992, which read as under:

PFUTP Regulations, 2003

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.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

(b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

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

(e) any act or omission amounting to manipulation of the price of a security;

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

Takeover Regulations, 1997

Acquisition of 5 per cent and more shares or voting rights of a company.

7 (1) Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent] shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to the stock exchanges where shares of the target company are listed.

Takeover Regulations, 2011

Repeal and Savings.

35.(1)…

(2) Notwithstanding such repeal,—

(a) anything done or any action taken or purported to have been done or taken including comments on any letter of offer, exemption granted by the Board, fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, prior to such repeal, shall be

deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;

(c) any open offer for which a public announcement has been made under the repealed regulations shall be required to be continued and completed under the repealed regulations.

PIT Regulations

13

Continual disclosure

(3) Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company 51[in Form C] the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

FINDINGS

❖ Violation of PFUTP Regulations

22. Upon careful perusal of the material available on record, I now proceed with the findings in connection with the role of each of the Noticees as against the violations as alleged in the case. I will first deal with issue as to whether the Noticees indulged in manipulative, fraudulent and unfair trade practices while dealing in the scrip of SIL, and if so, whether Shri Vijay Vora and Ms. Hina Vora have violated Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (d), (e) and (g) of PFUTP Regulations and whether Shri Chetan Dogra, M/s. Chetan Dogra HUF, Ms. Minoti Dhawan, and Shri Manojbhai Shah have violated Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (e) and (g) of

PFUTP Regulations. Upon careful perusal of the material available on record, I find the following:

A. **Preliminary Observations**: I note that the scrip of SIL was listed on BSE, JSEL and CSE, however, there had been no trading in the scrip during the investigation period on JSEL and CSE. The total traded quantity on BSE during the investigation period i.e. January 1, 2009 to May 10, 2010 in the scrip of SIL was observed to be 44,64,906 shares. Investigation prima facie observed that Shri Vijay Vora and Ms. Hina Vora had bought 11,50,383 shares and 4,14,043 shares respectively and were the top two buyers during the investigation period. Also that Shri Vijay Vora and Ms. Hina Vora had sold 9,70,184 shares and 3,85,019 shares respectively and were the top two sellers during the investigation period. Investigation prima facie also observed that Shri Chetan Dogra was amongst the top ten buyers and sellers during the investigation period and had bought 70,282 shares and sold 1,07,719 shares during investigation period. Further that Ms. Minoti Dhawan and was also amongst the top ten buyers during the investigation period, having bought 70,739 shares during the investigation period, and, Shri Manojbhai Shah was amongst the top ten sellers during investigation period, having sold 1,34,050 shares during the investigation period. It was observed that Shri Vijay Vora and Ms. Hina Vora had together purchased approx. 35.03% and sold approx. 30.35% of the total buy and sell respectively during the investigation period.

B. **Relationship amongst clients:** On examination of KYC details and off market data received from both the depositories of the top 10 buyers and top 10 sellers in the scrip during the investigation period, it was observed that the Noticees were connected to each other. The details of their connection is given below:

Investigation Period Trading in SIL Scrip On-Market					
Entity	Buy	*% of total mkt. vol.*	Sell	*% of total mkt. vol.*	Relationship
Shri Vijay Vora	11,50,383	*25.76%*	9,70,184	*21.73%*	➢ Common Address: *205, Vatsalya Bldg., 8/10, T.G. Road, Opp. Pai Hospital, Mumbai – 400 004*; ➢ Ms. Hina Vora is the wife of Shri Vijay Vora
Ms. Hina Vora	4,14,043	*9.27%*	3,85,019	*8.62%*	
Shri Chetan Dogra	70,282	*1.57%*	1,07,719	*2.41%*	Off Market Transfers are observed with Ms. Hina Vora in the scrip of SIL
Shri Manojbhai Shah	0	*0*	1,34,050	*3.00%*	Off Market Transfers are observed with Shri Vijay Vora in the scrip of SIL and it has been admitted through the submissions made that he had received shares of 35 scrips in off market from Shri Vijay Vora
Ms. Minoti Dhawan	70,739	*1.58%*	71,425	*1.6%*	Off Market Transfers are observed with Shri Chetan Dogra in the scrip of SIL
Total entities	**17,05,447**	***38.18%***	**16,68,397**	***37.36%***	
Total mkt. vol.	**44,64,906**		**44,64,906**		

C. **<u>Off Market Transactions:</u>** Shri Vijay Vora and Ms. Hina Vora transferred shares in off market to other Noticees which were subsequently used in alleged manipulative trades. The following were the off market transactions observed through the depositories NSDL and CDSL in the scrip of SIL during investigation period amongst the Noticees:

Depository	Credit	Debit	Execution date	Quantity
NSDL	Shri Chetan Dogra	Ms. Hina Vora	30-01-2009	25,000
NSDL	Shri Chetan Dogra	Ms. Hina Vora	16-02-2009	22,145
NSDL	Shri Chetan Dogra	Ms. Hina Vora	11-04-2009	15,000
NSDL/ CDSL	Ms. Minoti Dhawan	Shri Chetan Dogra	30-03-2009	600
CDSL	Shri Manojbhai Shah	Shri Vijay Vora	06-02-2009	1,60,306

D. **Reversal of trades/ Synchronized Trades/ Self Trades:** From the trading details, it was observed that the Noticees executed reversal trades/ synchronized trades with connected clients. Some of the Noticees were also observed to have executed self trades. The details of reversal of trades / synchronized trades / self trades executed by the Noticees, as applicable, is detailed below:

I. Shri Vijay Vora and Ms. Hina Vora:

1. Reversal of Trades between Shri Vijay Vora and Ms. Hina Vora

1.1 ***Reversal of Trades***: Shri Vijay Vora purchased 95,945 shares from his wife Ms. Hina Vora and sold 59,302 shares of SIL to her ranging over a period of 78 trade days through 213 trades with last traded price (LTP) difference ranging between -7.53% to 6.08%, of which 13 trades for 42,356 shares were synchronized i.e. trades where the difference between buy and sell order quantity as well as buy and sell order price is nil and time difference between the buy and sell orders is less than one minute. The same day reversal of trades was observed on 12 trade days. The instances of reversal of trades between Shri Vijay Vora and Ms. Hina Vora on the same day on 12 trade days for 26,231 shares are detailed below:

Shri Vijay Vora															
Trade Date	Total Scrip Volume for the day	Total Buy Volume of Shri Vijay Vora	Out of B, Buy from Ms. Hina Vora	**% of C to B**	**% of C to A**	Total Sell Volume of Shri Vijay Vora	Out of D, Sell to Ms. Hina Vora	**% of E to D**	**% of E to A**	Shri Vijay Vora's Self Trades	Shri Vijay Vora and Ms. Hina Vora Reversal of Trades	Shri Vijay Vora and Ms. Hina Vora Reversal and Self Trades	***% of H to B***	***% of H to D***	***% of H to A***
	A	B	C			D	E			F	G	H=F+G			
30-Jul-09	11,416	4,220	4,100	**97**	**36**	6,094	6,000	**98**	**53**		4,100	4,100	***97***	***67***	***36***
7-Aug-09	3,723	1,460	1,000	**68**	**27**	1,922	1,412	**73**	**38**		1,000	1,000	***68***	***52***	***27***
14-Sep-09	20,436	4,191	224	**5**	**1**	5,626	1,000	**18**	**5**		224	224	***5***	***4***	***1***
24-Sep-09	8,962	4,004	449	**11**	**5**	1,507	345	**23**	**4**		345	345	***9***	***23***	***4***
30-Dec-09	18,267	1,208	1,110	**92**	**6**	4,601	1,040	**23**	**6**		1,040	1,040	***86***	***23***	***6***
12-Apr-10	45,778	30,131	20,000	**66**	**44**	20,051	10,000	**50**	**22**	5,375	10,000	15,375	***51***	***77***	***34***
21-Apr-10	31,565	10,110	4,982	**49**	**16**	25,715	11,000	**43**	**35**	4,910	4,982	9,892	***98***	***38***	***31***
26-Apr-10	36,326	22,751	2,465	**11**	**7**	11,031	6,000	**54**	**17**	2,901	2,465	5,366	***24***	***49***	***15***
27-Apr-10	17,875	4,605	1,030	**22**	**6**	5,750	970	**17**	**5**		970	970	***21***	***17***	***5***
28-Apr-10	21,005	8,760	4,000	**46**	**19**	11,650	1,000	**9**	**5**		1,000	1,000	***11***	***9***	***5***
4-May-10	4,240	3,155	1,000	**32**	**24**	105	95	**90**	**2**	5	95	100	***3***	***95***	***2***
7-May-10	3,920	390	10	**3**	**0**	2000	2,000	**100**	**51**		10	10	***3***	***1***	***0***

- A comparison of same day reversal of trades between Shri Vijay Vora and Ms. Hina Vora/ Shri Vijay Vora vis-a-vis Shri Vijay Vora's own buy/ sell volume and vis-à-vis the total market volume on these 12 days reveals the following:
  - ✓ that the same day reversal between Shri Vijay Vora and Ms. Hina Vora and/ or self trades of Shri Vijay Vora comprised more than 90% of Shri Vijay Vora's buy volume on 2 out of 12 days and more than 50% of Shri Vijay Vora's buy volume on 5 out of 12 trade days;
  - ✓ that the same day reversal between Shri Vijay Vora and Ms. Hina Vora and/ or self trades of Shri Vijay Vora comprised more than 90% of Shri Vijay Vora's sell volume on 1 out of 12 days and more than 50% of Shri Vijay Vora's sell volume on 4 out of 12 trade days;
  - ✓ that further the same day reversal between Shri Vijay Vora and Ms. Hina Vora and/ or self trades of Shri Vijay Vora comprised more than 25% of total volume in the SIL scrip on 4 out of 12 trade days.

Ms. Hina Vora													
Trade Date	Total Scrip Volume for the day	Total Buy Volume of Hina Vora	Out of B, Buy from Vijay Vora	% of C to B	% of C to A	Totl Sell Volume of Hina Vora	Out of D, Sell to Vijay Vora	% of E to D	% of E to A	Vijay Vora and Hina Vora Reversal of Trades	% Reversal to Hina Vora's Buy Volume	% Reversal to Hina Vora's Sell Volume	% Reversal to total volume
	A	**B**	**C**			**D**	**E**			**F**	***% F to B***	***% F to D***	***% F to A***
30-Jul-09	11,416	6,000	6,000	**100**	**53**	5,000	4100	**82**	**36**	4,100	***68***	***82***	***36***
7-Aug-09	3,723	1,500	1,412	**94**	**38**	1,000	1000	**100**	**27**	1,000	***67***	***100***	***27***
14-Sep-09	20,436	2,239	1,000	**45**	**5**	251	224	**89**	**1**	224	***10***	***89***	***1***
24-Sep-09	8,962	1,936	345	**18**	**4**	690	449	**65**	**5**	345	***18***	***50***	***4***
30-Dec-09	18,267	1,210	1,040	**86**	**6**	4,883	1110	**23**	**6**	1,040	***86***	***21***	***6***
12-Apr-10	45,778	10,001	10,000	**100**	**22**	20,000	20000	**100**	**44**	10,000	***100***	***50***	***22***
21-Apr-10	31,565	11,005	11,000	**100**	**35**	4,982	4982	**100**	**16**	4,982	***45***	***100***	***16***
26-Apr-10	36,326	6,550	6,000	**92**	**17**	3,309	2465	**74**	**7**	2,465	***38***	***74***	***7***
27-Apr-10	17,875	1,000	970	**97**	**5**	4,250	1030	**24**	**6**	970	***97***	***23***	***5***
28-Apr-10	21,005	1,000	1,000	**100**	**5**	4,550	4000	**88**	**19**	1,000	***100***	***22***	***5***
4-May-10	4,240	500	95	**19**	**2**	1,000	1000	**100**	**24**	95	***19***	***10***	***2***
7-May-10	3,920	2,000	2,000	**100**	**51**	625	10	**2**	**0**	10	***1***	***2***	***0***

- A comparison of same day reversal of trades between Shri Vijay Vora and Ms. Hina Vora vis-a-vis Ms. Hina Vora's own buy/ sell volume and vis-à-vis the total market volume on these 12 days reveals the following:
  - ✓ that the same day reversal between Shri Vijay Vora and Ms. Hina Vora comprised 100% of Ms. Hina Vora's buy volume on 2 out of 12 days and more than 50% of Ms. Hina Vora's buy volume on 6 out of 12 trade days;
  - ✓ that the same day reversal between Shri Vijay Vora and Ms. Hina Vora comprised 100% of Ms. Hina Vora's sell volume on 2 out of 12 days and more than 50% of Ms. Hina Vora's sell volume on 7 out of 12 trade days;
  - ✓ that further the same day reversal between Shri Vijay Vora and Ms. Hina Vora comprised more than 25% of total volume in the SIL scrip on 2 out of 12 trade days.

1.2 ***Detailed Analysis of Reversal of Trades on one of the aforesaid dates:*** The reversal of trades between Ms. Hina Vora and Shri Vijay Vora on one of the aforesaid trade dates, **August 07, 2009** is analyzed below in detail:

1.2.1 It was observed that Shri Vijay Vora and Ms. Hina Vora together bought 2,960 shares (78% of the market volume) and sold 2,922 shares (77.24% of the market volume) on August 07, 2009. On the day, it was further observed that Ms. Hina Vora bought 1,412 shares from her husband Shri Vijay Vora and sold 1,000 shares back to him on the same day. The manner in which the orders were placed which resulted in the **reversal transactions** is enumerated below.

1.2.2 ***Ms. Hina Vora bought 1,412 shares from Shri Vijay Vora as follows****:*

1.2.2.1 It is observed from the trade and order log that at 12:51:26.673302, Shri Vijay Vora placed a sell order for 1,000 shares at Rs. 75.9 vide order id 21000052017252. Vide Order id 14000052010795, at 12:55:18 i.e. 4 minutes later, Ms. Hina Vora placed a buy order for 1,000 shares at Rs. 76. The two orders matched at 12.55.18 resulting in trade for 1,000 shares at Rs. 75.9. The buy order of Ms. Hina Vora raised the price by 3.68% from the last traded price i.e. from Rs. 73.10 to Rs. 75.90. Prior to the said transaction, only two trades had got executed on August 07, 2009, one at 10.18.09.000000 for 1 share and the next at 10.46.09.000000 for 2 shares, and, both these initial transactions were at a price less than the last traded price by approx. 4%.

1.2.2.2 At 14:12:49.684408, vide order id 21000052021302, Shri Vijay Vora placed a sell order for 1,000 shares at Rs. 80.05. At 14:59:20.630169, vide order id 14000052014541, Ms. Hina Vora placed a buy order for 500 shares at Rs. 81. It is observed that the immediate prior trade before Ms. Hina Vora had placed the buy order for 500 shares at Rs. 81 at 14:59:20.630169, had got executed at Rs. 74.05 at 14.52.42.000000. Despite the same, it is observed that Ms. Hina Vora had placed a buy order at Rs. 81 at 14:59:20.630169. At 14.59.21.000000, trade for 412 shares got executed between Shri Vijay Vora and Ms. Hina Vora at Rs. 80.05. Immediately after the said trade, the price fell by 8% to Rs. 74.05 from Rs. 80.05. The sell order for 1,000 shares at Rs. 80.05 placed by Shri Vijay Vora had remained pending in the system for want of a buyer who would buy SIL shares at Rs. 80.05 on that date. In fact, if buy orders of Shri Vijay Vora and Ms. Hina Vora are excluded, there was no buy order above Rs. 75.95 on August 07, 2009. Even the buy order of Rs. 75.95 was for just 1 share. The next highest buy order was for Rs. 74.20, again for just 1 share.

1.2.3 Shri Vijay Vora bought 1,000 shares from Ms. Hina Vora as follows:

1.2.3.1 At 13:09:05.254032, vide order id 14000052011230, Ms. Hina Vora placed a sell order for 1,000 shares at Rs. 79. Immediately thereafter at 13:09:48.704085, 13:10:06.139120 and 13:10:17.011802, Shri Vijay Vora placed 3 buy orders for 1,000, 200 and 20 shares each at Rs. 80 vide order id 21000052018420, 21000052018434 and 21000052018445 respectively. This resulted in trade for 794, 200 and 6 shares at 13.09.48.000000, 13.10.06.000000 and 13.10.17.000000 at Rs. 79 each respectively between Ms. Hina Vora and Shri Vijay Vora. The buy order id 21000052018420 moved the price up by approx. 2.8% and 1% to the last traded price when 19 shares and 1 share respectively got traded with other clients, before the trades between Shri Vijay Vora and Ms. Hina Vora got executed. Thus, the price of the scrip moved from Rs. 76 to Rs. 79 as a result of the buy orders of Shri Vijay Vora. The price touched Rs. 79.90 when trades of buy order id 21000052018445 were getting executed.

1.2.4 The aforesaid are just a few instances to elaborate the charges set out against Ms. Hina Vora and Shri Vijay Vora in the SCN. The same demonstrates that Shri Vijay Vora and Ms. Hina Vora were placing buy orders at incremental prices and indulging in reversal of trades between themselves. It becomes apparent from the manner in which reversal of trades between husband and wife were being matched by placing orders at a price much above the last traded price that there was a clear intent to show artificial volumes and manipulate the price of SIL scrip.

2. *Self trades of Shri Vijay Vora*

2.1 Shri Vijay Vora executed self trades for 18,358 shares on 27 trade days through 44 trades with difference with last traded price ranging from -3.59% to 2.27%. Detailed trade log of these trades is placed below:

TRADE DATE	TRADE RATE	TRADE QTY	BUY CLIENT NAME	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
27-03-2009	83	100	VIJAY VORA	10:38:28.598863	83.1	500	VIJAY VORA	10:36:46.896121	83	100
19-06-2009	74.2	100	VIJAY VORA	12:47:01.221854	74.2	100	VIJAY VORA	12:46:24.146967	74.2	1000
18-08-2009	81.5	74	VIJAY VORA	13:11:53.810950	81.5	100	VIJAY VORA	12:45:46.652120	81.5	100
27-08-2009	81	10	VIJAY VORA	14:51:14.553699	81	10	VIJAY VORA	14:09:20.621408	81	100
08-09-2009	99.75	200	VIJAY VORA	12:33:39.884611	99.8	2000	VIJAY VORA	14:17:38.142134	99.75	200
08-09-2009	99.75	485	VIJAY VORA	12:33:39.884611	99.8	2000	VIJAY VORA	14:17:28.242655	99.75	1000
16-09-2009	91	7	VIJAY VORA	11:56:58.908941	91	125	VIJAY VORA	10:55:32.892407	91	100
22-09-2009	92.6	41	VIJAY VORA	15:15:51.361403	95	200	VIJAY VORA	10:37:13.092335	92.6	50
22-09-2009	92.6	4	VIJAY VORA	15:15:09.355159	92	500	VIJAY VORA	10:37:13.092335	92.6	50
22-12-2009	92.45	83	VIJAY VORA	15:22:56.007581	94	250	VIJAY VORA	15:02:48.479250	92.45	500
22-12-2009	85	48	VIJAY VORA	10:02:57.157812	85	1000	VIJAY VORA	10:09:53.405244	85	1000
23-12-2009	97.5	43	VIJAY VORA	15:28:27.109436	98	250	VIJAY VORA	15:20:48.846592	97.5	100
29-12-2009	98.75	25	VIJAY VORA	11:32:46.048877	98.8	25	VIJAY VORA	10:53:40.445288	98.75	25
04-01-2010	114.5	1	VIJAY VORA	11:35:31.379318	115	1	VIJAY VORA	11:37:57.077299	114.5	343
04-01-2010	114.5	292	VIJAY VORA	11:32:36.520285	115	2500	VIJAY VORA	11:37:57.077299	114.5	343
05-01-2010	93	1000	VIJAY VORA	15:00:18.680235	93	1000	VIJAY VORA	15:11:48.843732	93	2000
07-01-2010	85.3	10	VIJAY VORA	11:56:29.365891	85.3	10	VIJAY VORA	12:02:29.608888	85.3	10
07-01-2010	86.45	10	VIJAY VORA	11:39:46.793945	86.5	10	VIJAY VORA	10:57:01.683288	86.45	1000
07-01-2010	85.35	15	VIJAY VORA	10:56:00.247566	85.4	15	VIJAY VORA	10:56:20.778530	85.25	1000
19-01-2010	88.9	537	VIJAY VORA	09:16:13.244777	74	1000	VIJAY VORA	10:52:44.411558	88.9	537
04-02-2010	85	100	VIJAY VORA	12:20:14.646298	85	200	VIJAY VORA	12:22:14.161751	84.75	100
10-02-2010	109.95	224	VIJAY VORA	11:02:11.220058	111	1000	VIJAY VORA	10:27:48.756330	109.95	1000
11-02-2010	129.85	226	VIJAY VORA	13:55:10.313681	130	500	VIJAY VORA	12:42:52.786632	124.95	5000
11-02-2010	123.7	448	VIJAY VORA	12:40:43.896373	125	1000	VIJAY VORA	11:11:48.390470	123.7	1000
11-02-2010	123	13	VIJAY VORA	11:24:53.148396	123	1000	VIJAY VORA	11:11:55.143460	123	500

TRADE DATE	TRADE RATE	TRADE QTY	BUY CLIENT NAME	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
16-02-2010	122.9	35	VIJAY VORA	11:16:48.074420	125	500	VIJAY VORA	11:04:35.995771	122.9	355
16-02-2010	122.8	100	VIJAY VORA	11:16:48.074420	125	500	VIJAY VORA	11:05:30.769885	122.8	100
18-02-2010	91	609	VIJAY VORA	10:55:07.559213	91.2	1228	VIJAY VORA	13:40:38.609997	91	5000
18-02-2010	91.15	50	VIJAY VORA	11:31:49.150096	91.2	50	VIJAY VORA	13:40:38.609997	91	5000
18-02-2010	91.2	100	VIJAY VORA	11:32:03.351553	91.2	100	VIJAY VORA	13:40:38.609997	91	5000
18-02-2010	91.25	79	VIJAY VORA	11:32:21.998428	91.3	100	VIJAY VORA	13:40:38.609997	91	5000
18-02-2010	94	1	VIJAY VORA	09:05:34.572995	94	100	VIJAY VORA	09:16:26.616873	94	1
18-03-2010	95	10	VIJAY VORA	11:55:06.553303	95	10	VIJAY VORA	11:36:35.873524	95	10
25-03-2010	97	25	VIJAY VORA	12:50:53.990937	97	25	VIJAY VORA	10:51:52.878826	104.75	38000
26-03-2010	91.65	25	VIJAY VORA	15:11:15.940336	91.7	25	VIJAY VORA	15:10:28.720751	91.65	100
26-03-2010	91.65	25	VIJAY VORA	15:11:04.434675	91.7	25	VIJAY VORA	15:10:28.720751	91.65	100
12-04-2010	100	5324	VIJAY VORA	12:58:25.898538	101	6000	VIJAY VORA	12:31:28.944040	100	10000
12-04-2010	99.9	51	VIJAY VORA	12:30:25.356679	99.9	100	VIJAY VORA	12:31:11.649483	99.9	51
21-04-2010	96.9	10	VIJAY VORA	13:51:07.533924	96.9	10	VIJAY VORA	13:14:16.995595	96.9	5000
21-04-2010	96.9	4900	VIJAY VORA	13:50:48.188502	97	5000	VIJAY VORA	13:14:16.995595	96.9	5000
26-04-2010	105.1	2900	VIJAY VORA	15:18:57.584633	105	3000	VIJAY VORA	14:38:35.618327	105.3	10000
26-04-2010	101.3	1	VIJAY VORA	10:19:52.093774	101	1	VIJAY VORA	09:07:04.824392	101.3	1000
04-05-2010	113	5	VIJAY VORA	10:45:23.705547	113	210	VIJAY VORA	09:13:52.300256	113	1000
10-05-2010	110.75	12	VIJAY VORA	11:16:18.740695	111	50	VIJAY VORA	10:26:01.217691	110.75	2000

2.2 Further, in order to demonstrate that the self trades executed by Shri Vijay Vora were not mere coincidence, a detailed analysis of one or two dates when self trades have occurred is given below:

2.2.1 ***Self Trade of Shri Vijay Vora on January 05, 2010 (05.01.2010) for 1,000 shares in the scrip of SIL***

2.2.1.1 Vide Order id 21000032036748, Shri Vijay Vora through M/s. Monarch Research and Brokerage Pvt. Ltd. (hereinafter referred to as **'Monarch'**) had placed a buy order for 1,000 shares at Rs. 93 at 15:00:18.680235. Vide Order id 23000033037286, Shri Vijay Vora through Monarch had placed another sell order for 2,000 shares again at Rs. 93 at 15:11:48.843732.

2.2.1.2 In between the aforesaid two buy and sell orders, there were no sell orders at Rs. 93 or less, except by Shri Vijay Vora through Monarch vide order id 21000032037833 for 1,000 shares at Rs. 93 at 15:11:26.721798 and vide order vide order id 19000029037533 for 2,000 shares at Rs. 93 at 15:11:42.952398. These got traded with pending buy orders of other clients based on price time priority, before Order id 23000033037286 for 2,000 shares matched with order id 21000032036748 for 1,000 shares resulting in self trades for 1,000 shares being executed by Monarch on behalf of Vijay Vora at 15.11.49.011259 at Rs. 93.

2.2.1.3 It is observed that all other sell orders in the system, other than that of Shri Vijay Vora during the period were at Rs. 96 or more. In fact, Shri Vijay Vora himself had placed sell orders at Rs. 95 between 15:10:11 to 15:10:24 i.e. just before he had placed the aforesaid 3 sell orders at Rs. 93. Also, from the trade log it is observed that sell orders of Shri Vijay Vora even as late as 15:11:01 were getting executed at Rs. 95. Despite the same, it is observed that Shri Vijay Vora through Monarch placed the sell order for 2,000 shares at Rs. 93 at 15:11:48.843732. Thus, it is alleged that the sell order for 2,000 shares vide sell order id 23000033037286 was placed with intention to execute self trade so as to create artificial volume in the scrip.

2.2.2 **Self Trade of Shri Vijay Vora on September 08, 2009 *(08.09.2009)* for 200 and 485 shares in the scrip of SIL**

2.2.2.1 Vide Order id 12000019050459, Shri Vijay Vora placed a buy order for 2,000 shares at Rs. 99.75 at 12:33:39.884611. Prior to the same on that day, except for 1 buy order for 50 shares at Rs. 99.75, all other buy orders were above the said price. The last trade prior to the placing of the said order happened at 12:22:48 at price Rs. 107. Even prior to the same at 12:07:58, trade for 4,000 shares had happened at a price of Rs. 109.90. In fact, on that day prior to Shri Vijay Vora placing the said buy order at 12:33:39, a total of 54 trades for a total quantity of

11,504 shares had got executed in the price range between Rs. 103 to Rs. 110.15.

2.2.2.2 At 13:48:13, trade for 594 shares at Rs. 99.75, out of the aforesaid buy order of Shri Vijay Vora got executed with sell order for 4,900 shares that was placed by Ms. Hina Vora at 13:48:12 for Rs. 99.75. The said trade was executed after the said sell order of Ms. Hina Vora had exhausted all other pending buy orders at higher rates in the system.

2.2.2.3 At 14:17:28 and 14:17:38 when Shri Vijay Vora through Monarch placed sell orders for 1,000 and 200 shares respectively both at price Rs. 99.75, there were no other sell orders at same or lower rates prior to Shri Vijay Vora's sell order, except the aforesaid sell order of Ms. Hina Vora. Further, there was no trade at or lower than Rs. 99.75, other than the aforesaid trade of Ms. Hina Vora for 594 shares with Shri Vijay Vora and another trade for 50 shares out of the aforesaid sell order of Ms. Hina Vora with a third party. All other trades were above the said rate. Despite the same, it is observed that Shri Vijay Vora through Monarch placed two sell orders for 1,000 and 200 shares at Rs. 99.75.

2.2.2.4 Out of the sell order for 1,000 shares, 515 shares got executed with pending buy orders of third parties at higher rates, before self trade for 485 shares got executed at Rs. 99.75 at 14:17:28. The next sell order for 200 shares entirely resulted in self trade at 14:17:38 at Rs. 99.75. Subsequent to the same, it is observed that at 14:17:50.919895, Shri Vijay Vora deleted the balance order for 721 shares (2000-594-485-200). Thus, it is alleged that the buy and sell orders were placed by Shri Vijay Vora in such a manner so as to cause self trade/ match the orders of Ms. Hina Vora in order to create artificial volume in the scrip.

2.2.2.5 Here I find it necessary to refer to the matter of ***M/s. Jayantilal Khandwala & Sons Pvt. Ltd. Vs. SEBI (Appeal no. 24 of 2011 decided on June 8, 2011),*** *wherein* ***the Hon'ble SAT*** held that:

"one cannot buy and sell shares from himself. Such transactions are obviously fictitious and meant only to create false volumes on the trading screen of the exchange".

2.2.2.6 In view of the above and the manner in which the buy and sell orders were placed by Shri Vijay Vora i.e. by placing the orders away from the ruling market price, I conclude that Shri Vijay Vora executed artificial volumes in the scrip of SIL through fictitious self trades, thereby sending wrong signal to the lay investors about trading in the scrip.

II. Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora

1. *Reversal of Trades between Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora*

1.1 Shri Manojbhai Shah received 1,60,306 shares in off market on February 06, 2009 *(06.02.2009)* from Shri Vijay Vora and sold a total of 98,847 shares (57,552 shares to Shri Vijay Vora and 41,295 shares to Ms. Hina Vora) on the market through 15 trade days, 111 trades with difference from Last Traded Price ranging from -1.73% to 4.11% as per details given below:

TRADE DATE	TRADE QTY	TRADE RATE	BUY CLIENT NAME	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
24-02-2009	550	91.8	VIJAY VORA	14:18:38.969364	91.8	550	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	550	91.8	VIJAY VORA	14:18:20.753217	91.8	550	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	1000	91.8	VIJAY VORA	14:17:55.561448	91.8	1000	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	1000	91.8	VIJAY VORA	14:16:48.378706	91.8	1000	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	100	90.9	VIJAY VORA	14:05:51.405773	90.9	100	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	50	90.9	VIJAY VORA	14:04:55.447818	90.9	50	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	1500	90.9	VIJAY VORA	14:00:56.946612	91	1500	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	1000	90.9	VIJAY VORA	13:59:08.290496	90.9	1000	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	1450	90.9	VIJAY VORA	13:53:35.470515	91	1500	MANOJBHAI SHAH	13:44:10.525430	90.9	10050
24-02-2009	1500	91.8	HINA VORA	14:35:02.757438	92	2000	MANOJBHAI SHAH	14:34:04.872025	91.8	1500
24-02-2009	200	91.8	HINA VORA	14:35:02.757438	92	2000	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	1500	91.8	HINA VORA	14:17:28.283946	91.8	1500	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	500	91.8	HINA VORA	14:17:07.624979	91.8	500	MANOJBHAI SHAH	14:15:06.107957	91.8	5500
24-02-2009	600	90.9	HINA VORA	14:12:27.246542	90.9	600	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	65	90.9	HINA VORA	14:12:16.622618	90.9	65	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	35	90.9	HINA VORA	14:12:11.601303	90.9	35	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	40	90.9	HINA VORA	14:11:47.529920	90.9	40	MANOJBHAI SHAH	13:55:44.530460	90.9	10000

TRADE DATE	TRADE QTY	TRADE RATE	BUY CLIENT NAME	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
24-02-2009	30	90.9	HINA VORA	14:11:37.151365	90.9	30	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	20	90.9	HINA VORA	14:11:28.990342	90.9	20	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	10	90.9	HINA VORA	14:11:13.512168	90.9	10	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	15	90.9	HINA VORA	14:11:03.968530	90.9	15	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	35	90.9	HINA VORA	14:10:59.003406	90.9	35	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	250	90.9	HINA VORA	14:10:45.260742	90.9	250	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	10	90.9	HINA VORA	14:10:15.446124	90.9	10	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	35	90.9	HINA VORA	14:10:10.886228	90.9	35	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	45	90.9	HINA VORA	14:09:58.837172	90.9	45	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	35	90.9	HINA VORA	14:09:49.749442	90.9	35	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	25	90.9	HINA VORA	14:09:42.178651	90.9	25	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	20	90.9	HINA VORA	14:09:16.861601	90.9	20	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	45	90.9	HINA VORA	14:09:09.850215	90.9	45	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	35	90.9	HINA VORA	14:09:03.482324	90.9	35	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	25	90.9	HINA VORA	14:08:09.305853	90.9	25	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	50	90.9	HINA VORA	14:07:57.385576	90.9	50	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	75	90.9	HINA VORA	14:07:49.291425	90.9	75	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	150	90.9	HINA VORA	14:07:23.403321	90.9	150	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	100	90.9	HINA VORA	14:06:47.401012	90.9	100	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	500	90.9	HINA VORA	14:06:40.317790	90.9	500	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	100	90.9	HINA VORA	13:59:31.584834	90.9	100	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	5000	90.9	HINA VORA	13:59:23.779332	90.9	5000	MANOJBHAI SHAH	13:55:44.530460	90.9	10000
24-02-2009	100	90.9	HINA VORA	13:47:56.029814	90.9	100	MANOJBHAI SHAH	13:44:10.525430	90.9	10050
24-02-2009	5000	90.9	HINA VORA	13:47:44.608349	90.9	5000	MANOJBHAI SHAH	13:44:10.525430	90.9	10050
24-02-2009	1000	90.9	HINA VORA	13:44:52.494150	90.9	1000	MANOJBHAI SHAH	13:44:10.525430	90.9	10050
24-02-2009	1000	90.9	HINA VORA	13:44:30.391474	90.9	1000	MANOJBHAI SHAH	13:44:10.525430	90.9	10050
21-05-2009	23	59	VIJAY VORA	15:13:01.481709	59	23	MANOJBHAI SHAH	10:29:59.762882	59	10000
21-05-2009	500	59	VIJAY VORA	15:12:46.494823	59	500	MANOJBHAI SHAH	10:29:59.762882	59	10000
21-05-2009	4500	59	VIJAY VORA	10:40:03.190043	59	4500	MANOJBHAI SHAH	10:29:59.762882	59	10000
21-05-2009	1000	59	VIJAY VORA	10:36:29.747574	59	1000	MANOJBHAI SHAH	10:29:59.762882	59	10000
21-05-2009	500	59	HINA VORA	10:52:15.624356	59	500	MANOJBHAI SHAH	10:29:59.762882	59	10000
22-05-2009	100	61	VIJAY VORA	14:51:12.851306	61	100	MANOJBHAI SHAH	10:41:17.160784	61	10000
22-05-2009	2000	61	VIJAY VORA	14:51:02.285574	61.95	2000	MANOJBHAI SHAH	10:41:17.160784	61	10000
22-05-2009	91	61	VIJAY VORA	11:31:28.334969	61	91	MANOJBHAI SHAH	10:41:17.160784	61	10000
22-05-2009	6101	61	VIJAY VORA	11:31:06.130215	61	7000	MANOJBHAI SHAH	10:41:17.160784	61	10000
25-05-2009	500	64	VIJAY VORA	14:55:50.394143	64	500	MANOJBHAI SHAH	10:34:08.805506	64	10000
25-05-2009	5000	64	VIJAY VORA	14:55:38.082905	64	5000	MANOJBHAI SHAH	10:34:08.805506	64	10000
25-05-2009	147	64	HINA VORA	15:09:54.477661	64	200	MANOJBHAI SHAH	10:34:08.805506	64	10000
25-05-2009	200	64	HINA VORA	15:02:40.917267	64.05	200	MANOJBHAI SHAH	10:34:08.805506	64	10000
25-05-2009	500	64	HINA VORA	11:02:38.833753	64	500	MANOJBHAI SHAH	10:34:08.805506	64	10000
28-05-2009	1571	67	VIJAY VORA	14:04:13.253377	67	2000	MANOJBHAI SHAH	11:10:27.126553	67	5000
28-05-2009	835	67	VIJAY VORA	12:13:49.336543	67	1000	MANOJBHAI SHAH	11:10:27.126553	67	5000
28-05-2009	100	67	HINA VORA	11:12:28.712588	67	100	MANOJBHAI SHAH	11:10:27.126553	67	5000
28-05-2009	2000	67	HINA VORA	11:12:23.080960	67	2000	MANOJBHAI SHAH	11:10:27.126553	67	5000
01-06-2009	142	72	VIJAY VORA	15:16:38.327952	73	150	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	500	72	VIJAY VORA	15:15:10.681128	73	500	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	500	72	VIJAY VORA	15:14:56.142729	73	500	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	500	72	VIJAY VORA	15:02:39.344142	72	500	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	200	72	HINA VORA	15:10:39.002666	73	200	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	2000	72	HINA VORA	15:10:34.812473	73	2000	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	200	72	HINA VORA	14:46:23.037563	72	200	MANOJBHAI SHAH	10:55:03.617610	72	5000
01-06-2009	958	72	HINA VORA	14:46:17.312738	72	2000	MANOJBHAI SHAH	10:55:03.617610	72	5000
09-06-2009	156	74.25	VIJAY VORA	15:21:41.050106	74.3	1000	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
09-06-2009	400	74.25	VIJAY VORA	15:19:08.585978	74.25	500	MANOJBHAI SHAH	10:35:17.425754	74.25	5000

TRADE DATE	TRADE QTY	TRADE RATE	BUY CLIENT NAME	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
09-06-2009	50	74.25	VIJAY VORA	14:44:03.633426	74.25	50	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
09-06-2009	50	74.25	VIJAY VORA	14:26:06.405757	74.25	50	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
09-06-2009	2000	74.25	VIJAY VORA	14:25:41.839942	74.25	2000	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
09-06-2009	54	74.25	VIJAY VORA	14:24:48.615440	74.25	100	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
09-06-2009	950	74.25	HINA VORA	14:43:42.230302	74.25	1000	MANOJBHAI SHAH	10:35:17.425754	74.25	5000
10-06-2009	2000	73.5	VIJAY VORA	14:51:04.510547	73.5	2000	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	50	73.5	HINA VORA	14:52:36.171556	73.5	50	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	200	73.5	HINA VORA	14:52:30.797404	73.5	200	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	300	73.5	HINA VORA	14:52:20.710368	73.5	300	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	150	73.5	HINA VORA	14:52:10.537220	73.5	150	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	100	73.5	HINA VORA	14:52:04.164543	73.5	100	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	200	73.5	HINA VORA	14:51:57.896918	73.5	200	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
10-06-2009	2000	73.5	HINA VORA	14:50:29.226822	73.5	2000	MANOJBHAI SHAH	14:47:57.159171	73.5	5000
11-06-2009	5000	71	VIJAY VORA	14:40:57.764071	71	5000	MANOJBHAI SHAH	14:39:14.141487	71	5000
12-06-2009	1000	70	VIJAY VORA	15:10:33.550191	70	1000	MANOJBHAI SHAH	15:05:23.154505	70	5000
12-06-2009	2000	70	VIJAY VORA	15:08:00.520363	70	2000	MANOJBHAI SHAH	15:05:23.154505	70	5000
12-06-2009	2000	70	HINA VORA	15:07:47.549327	70	2000	MANOJBHAI SHAH	15:05:23.154505	70	5000
16-06-2009	642	72	VIJAY VORA	15:19:10.948128	74.55	1000	MANOJBHAI SHAH	15:12:09.199192	72	5000
16-06-2009	2200	72	VIJAY VORA	15:17:46.421332	72	2200	MANOJBHAI SHAH	15:12:09.199192	72	5000
16-06-2009	58	72.9	VIJAY VORA	15:12:05.100650	72.9	200	MANOJBHAI SHAH	15:12:09.199192	72	5000
16-06-2009	2000	72	HINA VORA	15:16:50.653509	72	2000	MANOJBHAI SHAH	15:12:09.199192	72	5000
27-08-2009	500	78.15	HINA VORA	14:52:46.944881	78.15	500	MANOJBHAI SHAH	15:19:20.567947	78	2000
27-08-2009	500	78.2	HINA VORA	14:52:54.520110	78.2	500	MANOJBHAI SHAH	15:19:20.567947	78	2000
27-08-2009	200	78.2	HINA VORA	14:36:21.073948	78.2	200	MANOJBHAI SHAH	14:48:32.116499	78	2000
27-08-2009	500	78.25	HINA VORA	14:46:12.849365	78.25	500	MANOJBHAI SHAH	14:48:32.116499	78	2000
04-09-2009	980	99.9	VIJAY VORA	12:25:35.926023	99.9	1000	MANOJBHAI SHAH	11:27:30.178308	99.9	2000
04-09-2009	1000	99.9	VIJAY VORA	12:25:28.671424	99.9	1000	MANOJBHAI SHAH	11:27:30.178308	99.9	2000
04-09-2009	500	97.1	VIJAY VORA	10:50:13.591527	97.1	500	MANOJBHAI SHAH	11:28:11.650946	97	2000
04-09-2009	40	99.5	HINA VORA	12:20:25.055528	99.5	50	MANOJBHAI SHAH	11:28:11.650946	97	2000
04-09-2009	1000	99.5	HINA VORA	11:30:37.285693	99.5	1000	MANOJBHAI SHAH	11:28:11.650946	97	2000
04-09-2009	150	99.5	HINA VORA	11:30:16.142556	99.5	150	MANOJBHAI SHAH	11:28:11.650946	97	2000
13-01-2010	2099	85	VIJAY VORA	15:01:03.552547	85	5000	MANOJBHAI SHAH	15:06:14.451886	85	5000
13-01-2010	100	85.5	VIJAY VORA	10:43:35.447054	85.5	100	MANOJBHAI SHAH	15:06:14.451886	85	5000
13-01-2010	100	86	VIJAY VORA	10:43:26.942540	87	500	MANOJBHAI SHAH	15:06:14.451886	85	5000
13-01-2010	100	86.7	VIJAY VORA	12:09:34.249999	86.7	100	MANOJBHAI SHAH	15:06:14.451886	85	5000
13-01-2010	500	86.75	VIJAY VORA	12:43:33.271650	86.75	500	MANOJBHAI SHAH	15:06:14.451886	85	5000
14-01-2010	5000	85	VIJAY VORA	13:21:20.993680	85	5000	MANOJBHAI SHAH	13:23:33.529069	85	20000
14-01-2010	500	85.5	VIJAY VORA	09:19:37.304320	85.5	500	MANOJBHAI SHAH	13:23:33.529069	85	20000
14-01-2010	5000	85	HINA VORA	13:21:26.300143	85	5000	MANOJBHAI SHAH	13:23:33.529069	85	20000
14-01-2010	500	85	HINA VORA	09:07:56.824873	85	500	MANOJBHAI SHAH	13:23:33.529069	85	20000

1.2 To better understand the modus operandi used by the entities Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora for selling the shares bought by Shri Manojbhai Shah in off-market back to Shri Vijay Vora/ Ms. Hina Vora on-market, the trading pattern of the entities on one of the aforesaid dates, February 24, 2009 *(24.02.2009)* is analysed in detail. Out of the total of 28,900 shares that got traded on February 24, 2009 *(24.02.2009),* Shri Manojbhai Shah was on the sell side for a total of 27,050 shares (93.6%). Similarly, Hina Vora (18,600 shares) and Shri Vijay Vora (7,250 shares) were on the buy side for a total of 25,850 shares (89.44%). Trades for a total of 25,350 shares (87.72%) got executed between Shri Manojbhai Shah and Ms. Hina Vora/ Shri Vijay Vora, thereby Shri Manojbhai Shah transferred back 25,350 shares to Ms. Hina Vora/ Shri Vijay Vora on February 24, 2009 *(24.02.2009).* A detailed analysis of the trades and orders placed by Shri Manojbhai Shah, Shri Vijay Vora and Ms. Hina Vora on **February 24, 2009** ***(24.02.2009)*** is given below:

1.2.1 From the Trade & Order log it is observed that on February 24, 2009 *(24.02.2009),* prior to 13:44 i.e. when Shri Manojbhai Shah placed sell order for 10,050 shares at Rs. 90.90, four trades had happened, out of which two were at Rs. 92.45 and two were at Rs. 92.50. The last trade was at 11.53.24.113348.

1.2.2 Before moving ahead, it is pertinent to mention here that during the entire day, other than the sell order of Shri Manojbhai Shah, there were no sell orders in the system below Rs. 91. In fact, even at Rs. 91, there was only one sell order for 200 shares at 13:26:25.216466. The next lowest was at Rs. 91.80. The next lowest was one order for 91.90 for 400 shares and next there were 3 orders for 100, 100 and 200 shares at Rs. 92 each.

1.2.3 With respect to placing sell orders at Rs. 90.90 much below the last traded price of Rs. 92.50, (i.e. at a discount of 1.76% to the last traded price), the Noticee Shri Manojbhai Shah has stated that if one wants a definite exit, then a seller with a larger quantity to sell would put slightly lower rate than the ruling market price so as to ensure that his sell order results into sale trade.

1.2.4 It is observed that immediately after Shri Manojbhai Shah had placed a sell order at 13:44:10.525430 for 10,050 shares at Rs. 90.90, two buy orders for 1,000 shares each at Rs. 90.90 were placed by Ms. Hina Vora at 13:44:30.391474 and 13:44:52.494150. The same matched with the pending sell order of Shri Manojbhai Shah resulting in two trades of 1,000 shares each at Rs. 90.90 at

13.44.31.123703 and 13.44.53.042409. It is, thus, observed that the trades between Shri Manojbhai Shah and Ms. Hina Vora were structured i.e. buy and sell orders were placed within one minute from each other and the rates were matched which cannot happen without prior meeting of minds.

1.2.5 Again at 13:47:44.608349 and 13:47:56.029814, Ms. Hina Vora placed two buy orders for 5,000 shares and 100 shares respectively at Rs. 90.90 each, which matched with pending sell order of Shri Manojbhai Shah at 13.47.45.189105 and 13.47.56.429773 and two trades for 5,000 shares and 100 shares respectively at Rs. 90.90 each got executed.

1.2.6 In this regard, Shri Manojbhai Shah has *inter alia* stated that the order input pattern, different quantities of buy/sale orders, sale order's quantity not matching with total buy quantity (of 4 buy orders / trades) show there was no prior meeting of minds. Had there been prior meeting of minds, there would have been one trade only with all components - time, quantity, price, revealed quantity, order type etc. - being same of buy order as well as sale order. Further that against his aforesaid sale order, buy orders of the intervening parties too got executed at the same rate i.e. Rs.90.90. Thus the sequence of matching with different buy orders of different parties, different quantities rule out any meeting of minds. I am unable to agree with this argument of Shri Manojbhai Shah. This is because I find that trades for 2,000 shares between Shri Manojbhai Shah and Ms. Hina Vora were structured. Even for the balance 5,100 shares, the buy orders were placed by Ms. Hina Vora within close proximity of sell orders of Shri Manojbhai Shah, and in such a manner, so that her buy order rate match with that of Shri Manojbhai Shah's sell order rate.

1.2.7 At 13:53:35.470515, Shri Vijay Vora placed a buy order for 1,500 shares at Rs. 91. The same matched at 13.53.35.892989 with the pending sell order of Shri Manojbhai Shah and trade for 1,450 shares at Rs. 90.90 got executed. The balance 1,500 shares from sell order of Manojbhai Shah got executed with third parties.

1.2.8 Subsequent to the same, Shri Manojbhai Shah placed another sell order for 10,000 shares, again at Rs. 90.90 at 13:55:44.530460. Immediately thereafter at 13:59:08.290496, 14:00:56.946612, 14:04:55.447818 and 14:05:51.405773, Shri Vijay Vora trading through different brokers placed buy orders for 1000, 1500, 50, 100 shares (total of 2,650 shares) at Rs. 90.90, Rs. 91, Rs. 90.90 and Rs. 90.90 respectively. From 13:59:23.779332 to 14:12:27.246542, Ms. Hina Vora placed one buy order for 5,000 shares and other in smaller lots aggregating to 2,500 shares (total of 7,500 shares) all at Rs. 90.90. Of the same, all the 2,650 shares of Shri Vijay Vora and 7,350 shares of Ms. Hina Vora matched with Manojbhai Shah. 150 shares of Ms. Hina Vora's order matched with third parties.

1.2.9 Shri Manojbhai Shah has *inter alia* stated stated that his one sale order for 10,000 shares at Rs.90.90 at 13:55:44 got executed between 13:59:08 to 14:12:27 in about 30 trades against 4 counter brokers for Ms. Hina Vora (7,350 shares) and Shri Vijay Vora (2,650 shares) and all buy orders were subsequent to the sale order. Shri Manojbhai Shah has further highlighted that had there been a prior meeting of minds, the sale order would not have remained displayed for such a long time of 16 minutes and there would have been no need for 30 buy trades to happen against his one sale order.

1.2.10 Here again, I find that when Shri Manojbhai Shah had placed his sell order for 10,000 shares at 13:55:44, there were neither any pending buy orders, nor, any fresh buy orders placed apart from the buy orders of Shri Vijay Vora/ Ms. Hina Vora upto 14:18. Therefore, I conclude that the time difference between the buy and sell order becomes immaterial in this kind of a scenario. Though Shri Manojbhai Shah has emphasized the time gap between sell orders and buy orders to highlight the fact that there could not have been any meeting of mind, however, the proximity of time would lose significance under the circumstances.

Besides, even the marginal difference in rates, i.e. a few buy orders were placed by Shri Vijay Vora/ Ms. Hina Vora at the rate of Rs. 91 vis-à-vis sell order rate of 90.90, I find, was in view of the fact that higher buy order rate would match with lower sell order rate.

1.2.11 Again at 14:15:06.107957, Shri Manojbhai Shah placed sell order for 5,500 shares at Rs. 91.80 and placed another sell order for 1,500 shares at 14:34:04.872025. At 14:17:07.624979, 14:17:28.283946 and 14:35:02.757438 Ms. Hina Vora placed three buy orders for 500 shares, 1,500 shares and 2000 shares at Rs. 91.80, Rs. 91.80 and Rs. 92 respectively. Further, at 14:16:48.378706, 14:17:55.561448, 14:18:20.753217 and 14:18:38.969364 Shri Vijay Vora placed four buy orders for 1,000, 1,000, 550 and 550 shares respectively at Rs. 91.80. Thus, Ms. Hina Vora had placed buy orders for a total of 4,000 shares and Shri Vijay Vora had placed buy orders for a total of 3,100 shares. Out of the sell order of 5,500 shares of Manojbhai Shah, 3,100 shares matched with buy orders of Shri Vijay Vora and 2,200 shares matched with buy orders of Ms. Hina Vora. Out of the sell order of 1,500 shares of Manojbhai Shah, the same matched with buy order of Ms. Hina Vora resulting in trade for 1,500 shares at Rs. 91.80 *(inadvertently mentioned as Rs. 92 in the SCN).* Thus, the entire buy order of Shri Vijay Vora for 3,100 shares matched with the sell order of Shri Manojbhai Shah. Out of Ms. Hina Vora's buy order of 4,000 shares, 3,700 shares matched with Shri Manojbhai Shah. Of Shri Manojbhai Shah's sell order for 7,000 shares (5,500 + 1,500), 6,800 shares matched with Shri Vijay Vora/ Ms. Hina Vora.

1.2.12 Shri Manojbhai Shah, I find, has stated that his one sale order of 5,500 shares at 14:15:06 at Rs.91.80 got matched against 8 buy orders of counter parties from 14:16:48 to 14:35:02, which shows that buyers were lacking in the SIL scrip, even after reduction of 10 paise in the rate of the noticee (seller). It has been further stated that Shri Vijay Vora bought 3,100 shares while Ms. Hina Vora bought

2,200 shares, 200 shares being bought by intervening third parties, that buy order quantity of shares of counter parties were different and buyers bought after seeing sale order on the screen.

1.2.13 It is again pertinent to mention here that Ms. Hina Vora's buy orders upto trade time 14:12:27:33 were getting executed at Rs. 90.90 with the sell orders of Shri Manojbhai Shah. Similarly, Shri Vijay Vora's buy order upto trade time 14:05:51 were getting executed at Rs. 90.90 with Shri Manojbhai Shah's sell orders. Despite the same, immediately thereafter Shri Vijay Vora at 14:16:48.378706, 14:17:55.561448, 14:18:20.753217 and 14:18:38.969364 placed four buy orders for 1,000, 1,000, 550 and 550 shares respectively at Rs. 91.80 and Ms. Hina Vora at 14:17:07.624979, 14:17:28.283946 and 14:35:02.757438 placed three buy orders for 500 shares, 1,500 shares and 2000 shares at Rs. 91.80, Rs. 91.80 and Rs. 92 respectively resulting in increase over the last traded price by Rs. 0.9 (i.e. by 0.98%). Also, I find that Shri Manojbhai Shah contrary to his own argument that if one wants a definite exit, then a seller with a larger quantity to sell should put a slightly lower rate than the ruling market price so that his sale order results into a sale trade, had actually placed his sell orders at a much higher rate than the last traded price. The ruling market price of SIL scrip around that time was about Rs. 90.90 at which Shri Manojbhai Shah's own sell orders were getting executed with the buy orders of Ms. Hina Vora/ Shri Vijay Vora. However, I find that Shri Manojbhai Shah had placed his sell orders in the system at much higher rate of Rs. 91.80 and immediately thereafter Shri Vijay Vora/ Ms. Hina Vora matched their buy order rates with that of Shri Manojbhai Shah's sell orders, thereby increasing the price of the SIL scrip by Rs. 0.90. Thus, all of the above clearly demonstrates that there was a prior meeting of minds between Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora to match the buy/ sell order rates by keeping them away from the ruling market price. Besides, such matching of trades with each other was happening repeatedly on 15 trade days, through 111 trades with difference from last traded price ranging from -1.73% to 4.11%.

1.2.14 From the above it becomes clear that the argument of Shri Manojbhai Shah that the sale price was in sync with the ruling market price does not stand. In fact it is observed that Shri Manojbhai Shah had placed the sell orders away from the ruling market price, either lower or higher than the ruling market price, and, Shri Vijay Vora/ Ms. Hina Vora had tried to match their buy orders with Shri Manojbhai Shah's sell orders immediately thereafter. Thus, it is observed that though Shri Manojbhai Shah has stated that he had not sold SIL shares every day/ every month and that his sales were delivery based, the fact that emerges on the basis of detailed analysis of Shri Manojbhai Shah's trading is that on the days when Shri Manojbhai Shah had placed the sell orders, he had placed it away from the ruling market price, which were then matched by Shri Vijay Vora/ Ms. Hina Vora by placing their buy orders in close proximity to Shri Manojbhai Shah's sale orders and matching with his sell rates. Further, I find that Shri Manojbhai Shah has *inter alia* stated that Shri Vijay Vora's purchases of shares from Shri Manojbhai Shah amounted to a meagre 2.71% of his gross volume and that of Ms. Hina Vora's amounted to 5.61% of her gross volume.

1.2.15 However, it is noted that on the 15 trade days when Shri Manojbhai Shah transferred a total of 98,847 shares bought from Shri Vijay Vora in off-market back to Shri Vijay Vora/ Ms. Hina Vora on market, Shri Manojbhai Shah's sales to Shri Vijay Vora/ Ms. Hina Vora ranged between 100% to 42.5% of Shri Manojbhai Shah's sell volume on that trade day as per details given below:

SHRI MANOJBHAI SHAH'S SELL TRADES WITH SHRI VIJAY VORA/ MS. HINA VORA on 15 TRADE DAYS AFTER RECEIVING 1,60,306 SHARES IN OFF-MARKET FROM SHRI VIJAY VORA							
Trade Date	Total Scrip Volume for the day	Total Sell Volume of Manojbhai Shah	Total Sell Volume of Manojbhai Shah with Vijay Vora and/ or Hina Vora	Out of B, Sell to Vijay Vora	Out of B, Sell to Hina Vora	% of B to A	***% of C to B***
	A	B	C	D	E	F	***G***
24-02-2009	28900	27050	25350	7200	18150	93.60	***93.72***
21-05-2009	10663	10000	6523	6023	500	93.78	***65.23***
22-05-2009	11918	10000	8292	8292	0	83.91	***82.92***
25-05-2009	10441	10000	6347	5500	847	95.78	***63.47***
28-05-2009	6513	5000	4506	2406	2100	76.77	***90.12***
01/06/2009	7245	5000	5000	1642	3358	69.01	***100.00***
09/06/2009	6966	5000	3660	3660	0	71.78	***73.20***
10/06/2009	5340	5000	5000	2000	3000	93.63	***100.00***
11/06/2009	8835	5000	5000	5000	0	56.59	***100.00***
12/06/2009	6682	5000	5000	3000	2000	74.83	***100.00***
16-06-2009	14092	5000	4900	2900	2000	35.48	***98.00***
27-08-2009	7315	4000	1700	0	1700	54.68	***42.50***
04/09/2009	18804	4000	3670	2480	1190	21.27	***91.75***
13-01-2010	11307	5000	2899	2899	0	44.22	***57.98***
14-01-2010	24391	20000	11000	5500	5500	82.00	***55.00***

1.2.16 In the matter, Shri Manojbhai Shah has stated that except one off-market direct transaction, he had no other dealing off-market or on-market with Shri Vijay Vora or Ms. Hina Vora, he did not receive shares from Ms. Hina Vora in the off market, and hence, cannot be said to be transferring any shares back to her. Ms. Hina Vora is the wife of Shri Vijay Vora. Besides, the trading pattern of Shri Manojbhai Shah and Ms. Hina Vora/ Shri Vijay Vora brought out above clearly demonstrates that there was meeting of minds between Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora to transfer back to Shri Vijay Vora/ Ms. Hina Vora on-market, a substantial chunk of shares acquired by Shri Manojbhai Shah off-market on February 06, 2009 (06.02.2009) and thereby create an appearance of trading in the comparatively illiquid scrip of SIL. Thus, Shri Manojbhai Shah's argument that his volume could not / did not result into artificial volume in the scrip as it was 100% delivery based on all days he traded in the market does not carry any weightage, as appearance of trading in SIL scrip was created by Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora by buying off-market and selling on-market to escape detection of false or misleading appearance of trading between them in the scrip of SIL. Also, the argument that during the investigation period, Shri Manojbhai Shah had sold shares received in off-market in respect of other scrips too, does not in any manner undermine the act of false or misleading appearance of trading between Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora in the scrip of SIL as has been brought out above.

1.2.17 Thus, I conclude that the modus operandi was the one where shares are transferred in the off-market by Shri Vijay Vora and returned on-market to Shri Vijay Vora/ Ms. Hina Vora by matching the trades between themselves by placing the orders away from the ruling market price, thereby creating an appearance of trading. In this regard, it is pertinent to mention that any transaction executed with the intention to defeat the market mechanism becomes illegal. And whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism depends upon the intention of the parties, which can be inferred from the attending circumstances. In the extant case, I find that Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora had placed their sell and buy orders within close proximity of each other, but, away from the ruling market price and in such a manner so as to match each others buy/ sell rates.

1.2.18 In the matter, I find that ARs on behalf of Shri Manojbhai Shah has referred to the ***Order of the Hon'ble Securities Appellate Tribunal (SAT) in Appeal No. 95 of 2013 in the matter of Shri Kapil Chatrabhuj Bhuptani Vs. SEBI,*** wherein Hon'ble SAT had observed that:

"....we reiterate once again that when it comes to synchronised trading, it is an accepted and by now well settled position that such trading in itself would not

tantamount to any wrongdoing. It is objectionable only if it is illegitimate and is the outcome of a mischievous meeting of minds among certain parties which may with or without an element of mens rea as such".

Shri Manojbhai Shah has also stated that such synchronised orders in the nature of negotiated deals at ruling market prices for delivery backed sales are permissible in terms of SEBI's circular dated September 14, 1999. In the context ***Hon'ble SAT's Order dated August 05, 2010 in Appeal no.164/2009 of Porecha Global Securities Pvt. Ltd. Vs. SEBI*** has also been cited.

1.2.19 On perusal of the aforesaid Orders of the Hon'ble SAT, I find that in the case of Shri Kapil Chatrabhuj Bhuptani Vs. SEBI, the Hon'ble SAT had *inter alia* observed that there was no proved nexus between parties. Also, in the case of Porecha Global Securities Pvt. Ltd. Vs. SEBI, Hon'ble SAT had *inter alia* observed that it was not alleged in the show cause notice that the trades were manipulated in any manner. Contrary to the same, from the pattern of trading and placing of orders as depicted above, whereby Shri Manojbhai Shah had placed the sell orders away from the ruling market price and Shri Vijay Vora/ Ms. Hina Vora had tried to match their buy orders with Shri Manojbhai Shah's sell orders immediately thereafter, makes it clear that the trades between Shri Manojbhai Shah and Shri Vijay Vora/ Ms. Hina Vora were with prior meeting of minds. In the matter, I note that ***Hon'ble SAT in the matter of Ms. Anita Dala Vs. SEBI (date of Order December 3, 2012)*** has held that:

"…The trades of the appellant convincingly demonstrate that the appellant has indulged herself in synchronized / reversal transactions. We cannot accept the theory of coincidence in the backdrop of the trade logs which show the transactions of the appellant in a synchronized manner. The appellant has consistently indulged herself in synchronized and reversal trades on various dates."

1.2.20 I further note that ARs on behalf of Shri Manojbhai Shah has also referred to the judgement of the ***Hon'ble Supreme Court (2008 11 SCC 617) Bharjatiya Steel Industries Vs. Commissioner, Sales Tax, Uttar Pradesh*** to state that Para 21 and 22 of the judgement clarifies SEBI Vs. Shriram Mutual Fund, the earlier judgement of the Hon'ble Supreme Court. I note that the aforesaid paragraph 22 referred to state as follows:

"An assessing authority has been conferred with a discretionary jurisdiction to levy penalty. By necessary implication, the authority may not levy penalty. If it has the discretion not to levy penalty, existence of mens rea becomes a relevant factor."

1.2.21 In the extant case, the modus operandi has been found to have been one where shares were transferred in the off-market and returned on-market to create an appearance of artificial volume in the scrip of SIL. In such case, I find that this is a fit case for imposition of monetary penalty. Thus, I conclude that the cases submitted by the ARs of Shri Manojbhai Shah do not support the facts of the instant case of the Noticee Shri Manojbhai Shah.

1.2.22 I further find that Shri Manojbhai Shah has also cited a judgment of the Delhi High Court in the matter of Suresh Gupta vs. SEBI to state that off market transactions are outside the purview of SEBI. In the said matter, I note that the petitioner Shri Suresh Gupta had made a complaint to SEBI against one M/s Swastik Investment and its Managing Director, Shri Sunil Goel that he had entered into certain transactions during the financial year 1999-2000 and 2000-2001 whereby certain shares held by him in dematerialized form were transferred to the demat account of Shri Sunil Goel and his firm. In the matter, SEBI had noted that Swastik Investment was neither registered with SEBI as a stock broker or a sub-broker, nor, was the petitioner Shri Suresh Gupta able to produce any documents to show that Shri Sunil Goel had approached the petitioner as broker. Under the circumstances, SEBI had declined to entertain the complaint stating that the transactions carried out off market appeared to be in nature of a loan. I note that the aforesaid case bears almost no resemblance to the matter at hand. In the present case, the off market transactions are shown to indicate a relationship between the entities. In this context, I further note that Shri Manojbhai Shah has himself admitted that he had carried out off market transactions with Shri Vijay Vora in several scrips.

1.2.23 I note further that AR has *inter alia* also stated that details and data gathered/ captured of every order/ trade are under 91 heads/ columns, whereas in the annexure of supplementary SCN only few details on 'pick and choose' basis of objectionable alleged order/ trade has been furnished. In the matter, I find that the relevant extract from the trade/ order logs of the alleged synchronised trades has been provided.

1.2.24 I also note that Shri Manojbhai Shah has stated that the proceedings suffer from a great delay. I, however, do not find any grave delay in the matter, especially in view of the fact that most of the Noticees including Shri Manojbhai Shah were not traceable/ not responding. Further, Shri Manojbhai Shah has not shown what harm, if any, has been caused to him due to the same.

1.2.25 Hence, from all of the above, I conclude that Shri Manojbhai Shah, Shri Vijay Vora and Ms. Hina Vora executed reversal trades amongst themselves through off-market/ on-market transactions, thereby creating artificial volume in the scrip of SIL, and also raised the price of the scrip from the last traded price ranging from -1.73% to 4.11%.

III. Ms. Minoti Dhawan and Shri Vijay Vora/ Ms. Hina Vora

Shri Vijay Vora sold 599 shares to Ms. Minoti Dhawan and bought 775 shares from her. Ms. Hina Vora bought 421 shares from Minoti Dhavan. Following is further noted in respect of the above trades:

No. of Days	No. of trades	LTP Difference
5	10	-0.70% to 6.84%

IV. Shri Chetan Dogra and Shri Vijay Vora/ Ms. Hina Vora

Shri Vijay Vora sold 228 shares to Shri Chetan Dogra and purchased 2,785 shares from him. Ms. Hina Vora transferred 62,415 shares in the off market and purchased 3,750 shares (on-market) from Shri Chetan Dogra. Following is further noted in respect of the above trades:

No. of Days	No. of trades	LTP Difference
12	43	-7.8% to 0.34%

V. Shri Chetan Dogra and Ms. Minoti Dhawan

1. *Reversal of Trades between Ms. Minoti Dhawan and Shri Chetan Dogra*

1.1 ***Reversal of Trades***: In 8 trade days comprising 30 trades, Shri Chetan Dogra bought 34,340 shares from Ms. Minoti Dhavan and sold 37,999 shares to her and the difference from the last traded price was in the range from 1.74% to 6.25%. Out of the total trades for 72,339 shares between Shri Chetan Dogra and Ms. Minoti Dhawan, trades for 63,463 shares (87.7%) were synchronized. The details of the same are as follows:

TRADE DATE	TRADE RATE	TRADE QTY	CLIENT NAME	ORDER TIME	ORDER RATE	ORDER QTY	CP CLIENT NAME	CP ORDER TIME	CP ORDER RATE	CP ORDER QTY
03-02-2009	80	2500	MINOTI DHAWAN	10:07:04.072645	80	2,500	CHETAN DOGRA	10:06:51.428161	80	2,500
03-02-2009	80.1	2500	CHETAN DOGRA	10:07:33.928056	80.1	2,500	MINOTI DHAWAN	10:07:46.673559	80.1	2,500
04-02-2009	82.5	2500	MINOTI DHAWAN	10:01:01.181048	82.5	2,500	CHETAN DOGRA	10:00:16.208008	82.5	2,500
04-02-2009	82.85	2500	MINOTI DHAWAN	10:02:49.791583	82.85	2,500	CHETAN DOGRA	10:02:38.929580	82.85	2,500
04-02-2009	82.6	2500	CHETAN DOGRA	10:01:24.366497	82.6	2,500	MINOTI DHAWAN	10:01:48.520496	82.6	2,500
04-02-2009	83	2500	CHETAN DOGRA	10:02:05.782155	83	2,500	MINOTI DHAWAN	10:02:14.669204	83	2,500
05-02-2009	85.5	2410	MINOTI DHAWAN	10:03:32.164258	85.5	2,500	CHETAN DOGRA	10:03:09.513862	85.5	2,500
05-02-2009	85	2500	MINOTI DHAWAN	10:01:12.592693	85	2,500	CHETAN DOGRA	10:00:55.255470	85	2,500
05-02-2009	85.55	2400	CHETAN DOGRA	10:04:22.349721	85.55	2,500	MINOTI DHAWAN	10:03:47.396569	85.55	2,500
05-02-2009	85.05	2500	CHETAN DOGRA	10:01:43.574090	85.05	2,500	MINOTI DHAWAN	10:01:56.651897	85.05	2,500
06-02-2009	88.85	2500	MINOTI DHAWAN	14:14:40.777113	88.85	2,500	CHETAN DOGRA	14:14:37.668293	88.85	2,500
06-02-2009	88.8	2500	MINOTI DHAWAN	14:12:13.515074	88.8	2,500	CHETAN DOGRA	14:12:11.478803	88.8	2,500
06-02-2009	88.8	2140	MINOTI DHAWAN	14:10:55.963838	88.8	2,500	CHETAN DOGRA	14:10:39.667755	88.8	2,500
06-02-2009	88	2500	MINOTI DHAWAN	10:05:38.410182	88	2,500	CHETAN DOGRA	10:05:31.557143	88	2,500
06-02-2009	88.1	1853	MINOTI DHAWAN	10:03:34.237151	88.1	2,500	CHETAN DOGRA	10:03:21.515311	88.1	2,500
06-02-2009	88	2500	MINOTI DHAWAN	10:02:23.217612	88	2,500	CHETAN DOGRA	10:02:14.623884	88	2,500
06-02-2009	88.1	2500	CHETAN DOGRA	10:05:53.455526	88.1	2,500	MINOTI DHAWAN	10:06:00.198834	88.1	2,500
06-02-2009	88.15	2500	CHETAN DOGRA	10:05:07.292634	88.15	2,500	MINOTI DHAWAN	10:05:15.879618	88.15	2,500
06-02-2009	88.05	2500	CHETAN DOGRA	10:02:49.337721	88.05	2,500	MINOTI DHAWAN	10:02:56.492634	88.05	2,500
10-02-2009	93.3	1800	CHETAN DOGRA	10:08:50.550498	93.3	1,800	MINOTI DHAWAN	10:08:55.485035	93.3	1,800
10-02-2009	93.1	1760	CHETAN DOGRA	10:07:31.329061	93.1	1,760	MINOTI DHAWAN	10:07:33.355415	93.1	1,760
11-02-2009	98	2500	MINOTI DHAWAN	10:05:41.027751	98	2,500	CHETAN DOGRA	10:05:36.575635	98	2,500
11-02-2009	97	1600	MINOTI DHAWAN	10:04:02.891267	97	2,500	CHETAN DOGRA	10:04:36.135471	97	2,500
11-02-2009	98.1	2500	CHETAN DOGRA	10:05:52.244576	98.1	2,500	MINOTI DHAWAN	10:05:57.578768	98.1	2,500
11-02-2009	97.1	1600	CHETAN DOGRA	10:05:07.702048	97.1	1,600	MINOTI DHAWAN	10:05:13.118293	97.1	1,600
12-02-2009	100	2500	MINOTI DHAWAN	11:00:53.807395	100	2,500	CHETAN DOGRA	11:00:49.063001	100	2,500
13-02-2009	98.5	1000	MINOTI DHAWAN	13:07:34.268221	98.5	1,000	CHETAN DOGRA	13:07:29.985398	98.5	1,000
13-02-2009	98.2	445	MINOTI DHAWAN	13:04:56.130649	98.2	1,000	CHETAN DOGRA	13:04:37.243713	98.2	1,000
13-02-2009	98.6	455	CHETAN DOGRA	13:07:49.678427	98.6	1,000	MINOTI DHAWAN	13:07:57.614210	98.6	1,000
13/02/2009	98.4	1000	CHETAN DOGRA	13:06:40.527439	98.4	1000	MINOTI DHAWAN	13:06:52.199521	98.4	1000
		63,463				**66,660**				**66,660**

1.2 I note here that Ms. Minoti Dhawan has submitted that she is a widow, that her husband late Shri Sandeep Dhawan who was a Chartered Accountant and had passed away in November 2012, had been taking decisions and operating her demat accounts for investment and trading in shares, and that she was not aware of the above trades. Furthermore, I also find that Ms. Minoti Dhawan has submitted a copy of a Memorandum of Understanding (**MoU**) signed between herself and her late husband on January 10, 2001, purportedly authorizing her husband to use her name to carry on the business of transacting in shares, mutual funds and other investments and *inter alia* making her late husband liable for any civil or criminal action initiated by any person at any stage. Ms. Minoti Dhawan, I find, has *inter alia* further stated that she has been facing financial distress. While I am mindful of her difficulties, I note from the MoU that

Ms. Minoti Dhawan had allowed her name to be used for trading by her husband. The MoU in no way can release her from any liability in case of any misconduct or illegal activity, as she herself had permitted her late husband to trade in her name, and especially when there is no case made of her name being misused by deception. As such, Ms. Minoti Dhawan herself becomes responsible for the trading conducted in her name.

1.3 Ms. Minoti Dhawan, I find, has *inter alia* also submitted that her late husband had opened a current account with the Citizens Urban Cooperative Bank Ltd., Jalandhar in the name of M/s. Dhawan Investments, with her as the proprietor, and that the same has been closed after her husband's death. Ms. Minoti Dhawan has stated that her late husband used the said account for undertaking share transactions on her behalf and she being an orthodox Indian housewife used to sign the documents told by her late husband.

1.4 From the copy of the bank certificate dated December 24, 2013 submitted along with the written submissions, it is observed that the Citizens Urban Cooperative Bank Ltd., Jalandhar has stated that as per the authority letter provided to the bank, late Shri Sandeep Kumar Dhawan was authorized to operate the current account in the name of M/s. Dhawan Investment, where Ms. Minoti Dhawan was a proprietor. However, I note that the certificate so produced by the bank does not carry the the name and the designation of the Officer issuing the certificate. I further also note from a perusal of the copy of the authority letter that Ms. Minoti Dhawan had herself through an undated authority letter authorized the bank to *inter alia* honour all cheques drawn on the said account and instructions for local disbursements by her late husband Shri Sandeep Kumar Dhawan. I note, thus, that Ms. Minoti Dhawan had herself authorized her late husband to operate the bank account of M/s. Dhawan Investments, where she was a proprietor, and which was used for undertaking share transactions. Therefore, she cannot plead ignorance about the share transactions being carried out by her late husband by using the funds from the said account.

1.5 Ms. Minoti Dhawan has also submitted that her late husband had taken a working capital business loan of Rs.60 lacs from the Citizens Urban Cooperative Bank Ltd. in his name for share trading and investment business against the mortgage of his ancestral residential house and the said loan is still outstanding. A copy of the bank statement of the said account has been provided. A perusal of the said bank statement reveals that large amounts of cash ranging between Rs. 50,000/- per day to more than Rs. 18 lacs per day were being deposited in the said account on a regular basis during the investigation period and transferred to the current account of M/s. Dhawan Investment, where Ms. Minoti Dhawan was the proprietor.

1.6 Besides from the above table, it is observed that Ms. Minoti Dhawan had entered into synchronized reversal of trades for 63,463 shares through 30 trades with Shri Chetan Dogra wherein the difference in terms of price, quantity and time was almost negligible, thereby creating artificial volumes in the scrip of SIL. In the matter, Ms. Minoti Dhawan, I find, has *inter alia* stated that the alleged synchronized trades with Shri Chetan Dogra were just a coincidence. Also, Shri Chetan Dogra, I find, has stated that he had done only normal buying and selling with the Noticee Ms. Minoti Dhawan and that the name of Ms. Minoti Dhawan as the counter party is only incidental. I, however, note that there were other players in the market, which is evident from the trading details available on BSE website, which reveals that on the 8 days when synchronized trades were executed between Ms. Minoti Dhawan and Shri Chetan Dogra i.e. February 03,04,05,06,10,11,12,13, 2009, a total of 2,05,046 shares were traded through 655 trades vis-à-vis a total of 72,339 shares traded between Ms. Minoti Dhawan and Shri Chetan Dogra through 30 trades. It is not possible for the pattern that emerges in the above table to happen due to mere coincidence. Also, out of the total of 72,339 shares that were traded between the two, trades for 63,463 shares were found to be synchronized. In other words, more than 87% of the trades between Ms. Minoti Dhawan and Shri Chetan Dogra were found to be synchronized. This can in no way be coincidence and Ms. Minoti Dhawan and Shri Chetan Dogra through synchronized reversal of trades have certainly contributed to the creation of artificial volumes in the scrip of SIL during the aforesaid 8 trade days when Shri Chetan Dogra bought 34,340 shares from Ms. Minoti Dhavan and sold 37,999 shares to her.

1.7 In view of the above, I have no hesitation in concluding that Ms. Minoti Dhawan and Shri Chetan Dogra contributed to creation of artificial volume during the aforesaid 8 trade days by executing reversal and synchronized trades between themselves.

2. *Self trades of Shri Chetan Dogra*

2.1 Shri Chetan Dogra bought 70,282 shares and sold 1,07,719 shares during the investigation period. It was further observed that Shri Chetan Dogra executed self trades for 7,202 shares in 5 trade days comprising 14 trades during the investigation period. Detailed trade log of these trades is as given below:

TRADE DATE	TRADE TIME	BUY CLIENT NAME	BUY TRADE QTY	BUY TRADE RATE	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	Sell Client Name	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
03-02-2009	10.18.14.066383	Chetan Dogra	900	80	10:18:13.510738	80.85	1000	Chetan Dogra	10:18:09.499197	80	1000
05-02-2009	11.06.41.308887	Chetan Dogra	48	85.5	11:06:40.675241	85.5	100	Chetan Dogra	11:00:44.145350	85.5	1000
05-02-2009	11.06.23.910928	Chetan Dogra	52	85.5	11:06:11.086973	85.45	200	Chetan Dogra	11:00:44.145350	85.5	1000
05-02-2009	10.52.44.482488	Chetan Dogra	2250	85.5	10:52:44.076209	85.5	3000	Chetan Dogra	10:49:38.481725	85.5	2250
06-02-2009	10.54.36.107830	Chetan Dogra	50	88.75	10:54:26.805840	88.7	250	Chetan Dogra	10:50:13.796038	88.75	1000
06-02-2009	10.53.54.984668	Chetan Dogra	651	88.75	10:53:54.813518	89	1500	Chetan Dogra	10:50:13.796038	88.75	1000
06-02-2009	10.45.06.039555	Chetan Dogra	53	88.35	10:45:05.693182	88.35	60	Chetan Dogra	10:12:49.609344	88.35	1000
06-02-2009	10.44.49.209421	Chetan Dogra	100	88.35	10:44:49.096955	88.35	100	Chetan Dogra	10:12:49.609344	88.35	1000

TRADE DATE	TRADE TIME	BUY CLIENT NAME	BUY TRADE QTY	BUY TRADE RATE	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	Sell Client Name	SELL ORDER TIME	SELL ORDER RATE	SELL ORDER QTY
06-02-2009	10.44.10.013570	Chetan Dogra	847	88.35	10:44:02.478955	88	1000	Chetan Dogra	10:12:49.609344	88.35	1000
06-02-2009	10.44.10.013036	Chetan Dogra	112	88.25	10:44:02.478955	88	1000	Chetan Dogra	10:11:46.103306	87.6	4000
06-02-2009	10.11.46.666626	Chetan Dogra	1638	87.75	10:09:06.424385	87.75	2500	Chetan Dogra	10:11:46.103306	87.6	4000
18-02-2009	12.27.26.527734	Chetan Dogra	300	98	12:26:00.060621	98	300	Chetan Dogra	12:27:26.267805	96	2000
18-02-2009	12.27.26.527457	Chetan Dogra	200	98.25	12:26:20.161725	98.25	700	Chetan Dogra	12:27:26.267805	96	2000
19-05-2009	10.00.06.128918	Chetan Dogra	1	53.8	09:55:04.697998	53.8	1	Chetan Dogra	10:00:06.092770	53.8	1

2.2 In order to demonstrate that the self trades executed by Shri Chetan Dogra were with the intention to cause artificial trades in the scrip, the manner of placing the orders on one of the dates viz. February 05, 2009 *(05.02.2009)* which resulted in self trade for 2,250 shares is explained below:

2.2.1 On 05.02.2009, vide Order id 77900400030351993, Shri Chetan Dogra through Mansukh Stock Brokers Ltd. placed a sell order for 2,250 shares at Rs. 85.50 at 10:49:38.481725. Immediately thereafter, vide order id 32871800000279300 at 10:52:24.515421, Shri Chetan Dogra through Geojit BNP Paribas Financial Services Ltd. placed a buy order for 100 shares at Rs. 85.50 and vide Order id 32871700000280169 at 10:52:44.076209, placed another buy order for 3,000 shares at Rs. 85.50. This resulted in self trade of 2,250 shares at Rs. 85.50 at 10:52:44.076209.

2.2.2 The fact that Shri Chetan Dogra intended to create artificial volume by executing self trades becomes evident from the fact that the sell and buy orders were placed in close proximity to one another and the subsequent buy/ sell order was placed in a manner that it matched the rate of the earlier sell/ buy order, as applicable.

2.2.3 Further, the analysis below reveals that self trades of Shri Chetan Dogra were in the range of 19%-50% *of* the total buy quantity of Shri Chetan Dogra and in the range of 13%-19.9% *of* the total sell quantity of Shri Chetan Dogra on the four (4) trade dates when the self trades were executed by him (apart from the self trade of one share executed by him):

Date	Total Self trade qty	Total buy trade qty	*% of Self trade qty on buy side*	Total Sell Trade qty	*% of Self trade qty on sell side*
2/3/2009	900	4,250	***21.17***	5,500	***16.36***
2/5/2009	2,350	10,359	***22.68***	11,807	***19.90***
2/6/2009	3,451	18,010	***19.16***	21,142	***16.32***
2/18/2009	500	1,000	***50***	3,700	***13.51***
5/19/2009	1	1	***100***	1	***100***

2.2.4 The analysis above defeats the submissions made by AR of Shri Chetan Dogra on behalf of Shri Chetan Dogra that the trades of Shri Chetan Dogra for 7,202 shares were small, meager, insignificant trades and that they were just normal trades of small traders/ investors in stock market.

3. Trades between M/s. Chetan Dogra HUF and Shri Chetan Dogra, which were in the nature of Self Trades

3.1 In addition to the above trades of Shri Chetan Dogra, it is further noted that trades of M/s. Chetan Dogra HUF were for buy of 31,631 shares and sell of 31,615 shares. Out of the same, in respect of trades for 3,293 shares counterparty was Shri Chetan Dogra and trades for 1,405 shares were in the nature of self trades.

3.2 Details of such trades between M/s. Chetan Dogra HUF and Shri Chetan Dogra which were in the nature of self trades and self trades executed by M/s. Chetan Dogra HUF are placed below:

TRADE DATE	TRADE TIME	BUY CLIENT NAME	BUY TRADE QTY	BUY TRADE RATE	BUY ORDER TIME	BUY ORDER RATE	BUY ORDER QTY	SELL CLIENT NAME	SELL ORDER TIME	SELL ORDER RATE	SELL Order QTY
05-02-2009	15.20.15.085400	CHETAN DOGRA HUF	897	85.45	15:19:41.515982	85.45	1500	CHETAN DOGRA	15:20:14.567696	85.45	1000
09-02-2009	10.29.22.648016	CHETAN DOGRA	495	93.2	10:29:21.922092	93.2	2000	CHETAN DOGRA HUF	10:00:09.058654	93.2	2200
12-02-2009	15.16.53.243809	CHETAN DOGRA	900	99.9	15:16:49.241526	99.9	900	CHETAN DOGRA HUF	15:16:52.944001	99.9	1000
17-02-2009	14.46.56.414616	CHETAN DOGRA HUF	1400	98.95	14:46:56.280521	99	1500	CHETAN DOGRA HUF	09:56:15.529924	102.5	1400
26-02-2009	12.33.36.668814	CHETAN DOGRA HUF	1000	91	12:33:17.824397	91	1000	CHETAN DOGRA	12:33:36.333077	91	1000
05-03-2009	12.10.12.591198	CHETAN DOGRA	1	86	12:10:12.130892	86	1	CHETAN DOGRA HUF	09:59:15.597044	89	600
23-03-2009	15.17.53.489917	CHETAN DOGRA HUF	5	83	11:13:40.961081	83	5	CHETAN DOGRA HUF	15:17:53.298948	83	2500

3.3 In order to demonstrate that the self trades executed by M/s. Chetan Dogra HUF and synchronized/ structured trades done by M/s. Chetan Dogra HUF with Shri Chetan Dogra were with the intention to cause artificial trades in the scrip of SIL, the manner of placing the orders on one of the dates when self trade was executed viz. 17.02.2009 which resulted in self trade for 1,400 shares and one of the dates when synchronized trades were done by Chetan Dogra HUF with Shri Chetan Dogra viz. 26.02.2009 is explained below:

3.3.1 On 17.02.2009, vide Order id 79820400000083144, Chetan Dogra HUF through Centrum Broking Pvt. Ltd. placed a Sell Order for 1,400 shares at Rs. 102.50 at 09:56:15.529924. On 17.02.2009, the entire day, trade rate hovered between Rs. 98 and Rs. 99. The said order was pending execution. At 14:46:02.686077, M/s. Chetan Dogra HUF updated the said Sell order to reduce the price to Rs. 98.95. Immediately thereafter at 14:46:56.280521, M/s. Chetan Dogra HUF through Geojit BNP Paribas Financial Services Ltd. placed a buy order vide Order id 32871800000281787 for 1,500 shares at Rs. 99. Since the sell order was updated to a price lower than the buy order immediately prior, at 14.46.56.414616, the two orders matched and self trade for 1,400 shares at Rs. 98.95 got executed.

3.3.2 On 26.02.2009, vide Order id 32871700000284088 M/s. Chetan Dogra HUF through Centrum Broking Pvt. Ltd. placed a Buy Order for 1,000 shares at Rs.91

at 12:33:17.824397. Immediately thereafter at 12:33:36.333077, Shri Chetan Dogra through Geojit BNP Paribas Financial Services Ltd. placed a Sell order vide Order id 32871700000284088 for 1,000 shares at Rs. 91. At 12.33.36.668814, the two synchronized orders matched and trade for 1,000 shares at Rs. 91 got executed.

3.3.3 Further, the analysis below reveals that self trades of M/s. Chetan Dogra HUF were in the range of 2%-16% *of* the total buy quantity of M/s. Chetan Dogra HUF and in the range of 0.2%-21% *of* the total sell quantity of M/s. Chetan Dogra HUF on two (2) trade dates when the self trades were executed by it:

Date	**Total Self trade qty**	**Total buy trade qty**	***% of self trade qty on buy side***	**Total Sell Trade qty**	***% of self trade qty on sell side***
2/17/2009	1,400	8,350	*16.76*	6,400	*21.87*
3/23/2009	5	210	*2.38*	2,500	*0.2*

3.3.4 The above analysis clearly reveals that the submission made by AR of Shri Chetan Dogra on his behalf that in respect of synchronized trades for 3,293 shares and self trades for 1,405 shares, the same were unintentional and could have happened due to mistake in a hurry does not hold. I find that Shri Chetan Dogra and M/s. Chetan Dogra HUF executed self trades in the scrip of SIL by placing/ updating the orders in close proximity to one another and matching the subsequent buy/ sell order rate with earlier sell/ buy order rate, as applicable.

3.3.5 Further, self trades, which implies the trades in which both buyers and the seller are the same party and does not result in change of beneficial ownership are fictitious in nature, and, they create artificial volumes in the scrip, sending wrong signal to the lay investors about trading in the scrip. The self trades also defeat the purpose of anonymity of the trading system of the stock exchange.

3.3.6 In the matter, I find it necessary to quote the order ***of Hon'ble Securities Appellate Tribunal (SAT) in Chirag Tanna vs. The Adjudicating Officer dated June 16, 2011*** wherein it was held as follows:

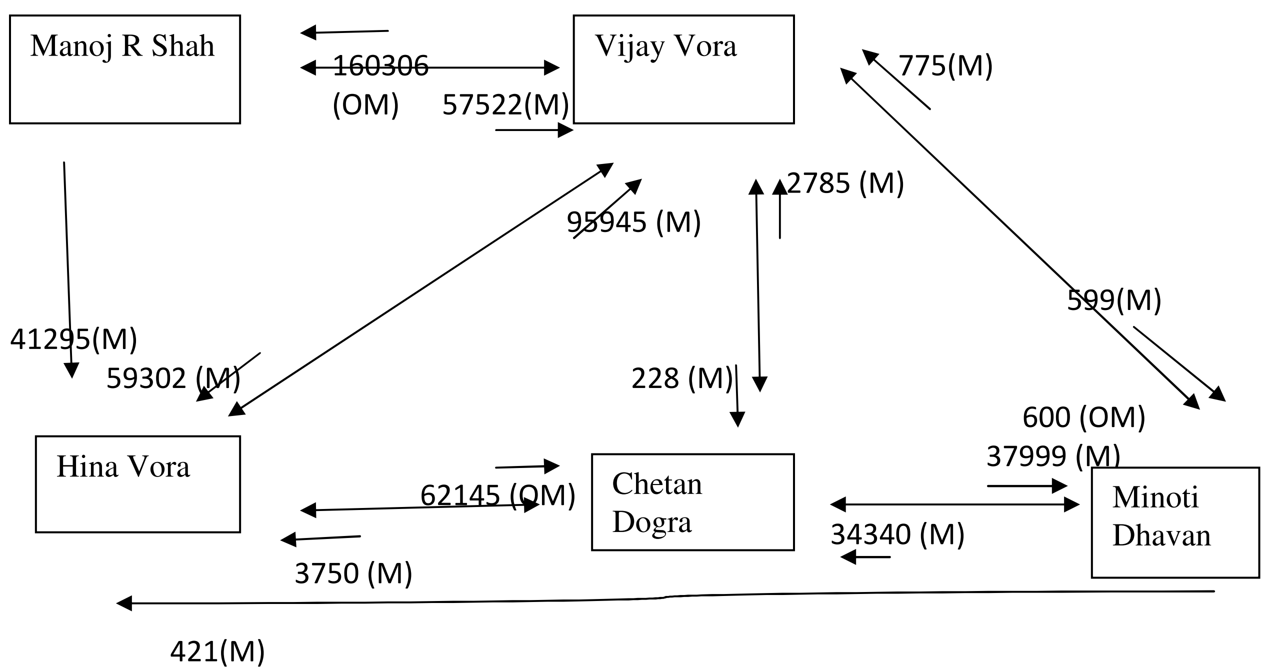
"..we have on record the trade and order logs from which it has been pointed out by the learned counsel for the respondent Board that the appellant had executed self trades i.e. trades in which he was both the buyer and seller. Such trades are, admittedly, fictitious and create artificial volumes in the traded scrip."

3.3.7 I find that the AR of Shri Chetan Dogra has *inter alia* further also submitted that the trades of 228 shares, 2,785 shares and 3,750 shares and other party happening to be Shri Vijay Vora / Ms. Hira Vora is a pure coincidence and that there was certainly no synchronizing of trades or any trades done with ulterior motive. Further, that in respect of 62,415 shares purchased off-market from Ms. Hina Vora, payments were duly made in course of time and there were no synchronized trades.

3.3.8 In the matter, I find that Shri Chetan Dogra has done off-market trades with Ms. Hina Vora on 3 different occasions i.e. on January 30, 2009 (30.01.2009) for 25,000 shares, on February 16, 2009 (16.02.2009) for 22,145 shares and on April 11, 2009 (11.04.2009) for 15,000 shares. I further find that Shri Chetan Dogra has also entered into off-market transaction with Ms. Minoti Dhawan for 600 shares on March 30, 2009 (30.03.2009). Together with the same, the manner in which Shri Chetan Dogra has done synchronized trades with Ms. Minoti Dhawan for 63,463 shares, which constituted more than 87% of trades between Shri Chetan Dogra Ms. Minoti Dhawan, establishes his connection with the Noticees and the fact that the trades were not happenstance/ coincidence as brought out by the AR of Shri Chetan Dogra as per the submissions made.

VI. Pictorial Representation of Market and Off Market Trades of the Noticees

The Market (M) and Off Market (OM) trades of the Noticees as brought out above may be pictorially depicted as follows:



VII. Price Variation Analysis

1. It was noted from the Last Traded Price (LTP) analysis carried out for the entire period of investigation (January 1, 2009 to May 10, 2010) that LTP variation was in the range of -10.56% to 16.30%. There were 7,525 instances with positive LTP variation (total impact Rs.5,370.75) and 7,409 instances with negative LTP variation (total impact Rs.5,328.95). The details of the LTP analysis of the Noticees is as given below:

S.No	Entity	No. of trades with +ve LTP (A)	% to total trades with +ve LTP (B)	Impact of trades with + ve LTP (Rs.) (C)	No. of trades with -ve LTP (D)	% to total trades with - ve LTP (E)	Impact of trades with - ve LTP (Rs.) (F)	Net impact of trades with LTP variation (Rs.) (C+F)	Sum of New High Price (NHP) Difference
1	Shri Vijay Vora	3,258	43.30%	2,460.3	1,191	16.08%	-683.05	1,777.25	10.7
2	Ms. Hina Vora	501	6.66%	3,70.45	313	4.22%	-218.85	151.6	0.2
3	Shri Chetan Dogra	91	1.21%	117.1	56	0.76%	-27.95	89.15	8
4	Chetan Dogra HUF	51	0.68%	72.2	44	0.59%	-34.25	37.95	1.3
5	Ms. Minoti Dhawan	42	0.56%	62.75	96	1.30%	-49.55	13.2	3.2
6	Shri Manojbhai Shah	25	0.33%	17.15	46	0.62%	-23.45	-6.3	0
	Total	**3,968**	**52.74%**	**3,099.95**	**1746**	**23.57%**	**-1037.1**	**2,062.85**	**23.4**

2. It is noted from the above that although the above entities entered into trades with positive LTP and negative LTP, their overall impact on the price of SIL scrip has been positive. This indicates attempt by the Noticees to artificially raise the price of SIL scrip during the investigation period. In the matter, I find that the AR of Shri Chetan Dogra has submitted on his behalf that percentage to positive and negative LTP of Shri Chetan Dogra being 1.21% and 0.76% respectively and that of M/s. Chetan Dogra HUF being 0.68% and 0.59% respectively are very small, insignificant and meager in quantity and any allegation regarding acting in group is superficial. I note from the above that the net impact of trades with LTP variation in respect of Shri Chetan Dogra was Rs. 89.15 and that of M/s. Chetan Dogra HUF was Rs. 37.95. Also

that trades of Shri Chetan Dogra established new high price of Rs. 8/- and that of M/s. Chetan Dogra HUF established new high price of Rs. 1.3, thus, a total of Rs. 9.3 out of the total new high price rise of Rs. 23.40 attributed to the Noticees, which constitutes approx. 40% of the total new high price bythe Noticees.

3. All of the aforesaid analysis brought out in the preceding paras of the Order together with the off-market transactions done by Shri Chetan Dogra on three occasions with Ms. Hina Vora and on one occasion with Ms. Minoti Dhawan negates the claim of AR of Shri Chetan Dogra and M/s. Chetan Dogra HUF that they never acted in concert with the other Noticees.

4. Regulation 3 of PFUTP Regulation prevents any person from buying, selling or dealing in securities in fraudulent manner, use or employ any manipulative or deceptive device in contravention to the provisions of the Act, employ any device, scheme or artifice to defraud in connection with dealing in securities or engage in any act, practice, course of business which operates as fraud or deceit upon any person in connection with any dealing in or issue of securities. Regulation 4(1) of PFUTP Regulation lays that no person shall indulge in a fraudulent or an unfair trade practice in securities. Regulation 4(2) (a) of PFUTP Regulation prohibits a person from indulging in an act which creates false or misleading appearance of trading in the securities market. Regulation 4(2)(b) of PFUTP Regulation prohibits dealing in a security not intended to effect transfer of beneficial ownership, but, intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss. Regulation 4(2)(d) of PFUTP Regulation stipulates that paying, or offering to pay,either directly or indirectly, money or money's worth to induce another personto deal in securities in a manner to affect the price of such security amounts to a fraudulent and unfair trade practice. Regulation 4(2)(e) lays down that any act or omission amounting to manipulation of the price of a security will amount to manipulation and Regulation

4(2)(g) inter alia, prohibits entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security.

5. From the foregoing discussion it is evident that the Noticees executed fictitious and false trades by entering into reversal/ synchronized/ self trades. The trades of the Noticees brought out in the preceding paras not only gave a false and misleading appearance of trading, but also acted in manner to manipulate the price of SIL scrip. The pattern of reversal and self trades brought out in the aforesaid paras of the Order indicate that the Noticees did not intend to transfer the beneficial ownership of SIL shares held by them, but, cause artificial volume and manipulate the price of SIL scrip, thereby sending wrong signal to the lay investors about trading in the scrip of SIL.

6. Furthermore, Shri Vijay Vora and Ms. Hina Vora transferred shares in off market to other Noticees, which were subsequently used in alleged manipulative trades as detailed above. I note that the Noticees net impact of trades with LTP variation was Rs. 2,062.85 during the investigation period. Besides, new high price of Rs. 23.40 was attributed to the Noticees during the investigation period. From the detailed analysis brought out in the preceding paras, it, thus, stands established that Shri Vijay Vora and Ms. Hina Vora violated the provisions of Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (d), (e) and (g) of PFUTP Regulations. Further, Shri Chetan Dogra, M/s. Chetan Dogra HUF, Ms. Minoti Dhawan and Shri Manojbhai Shah violated the provisions of Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (e) and (g) of PFUTP Regulations.

- **<u>Violation of PIT Regulations and Takeover Regulations</u>**

1. I now proceed to the next issue to determine whether Shri Vijay Vora failed to make disclosures under Regulation 13(3) of the PIT Regulations and Regulation 7(1) of

Takeover Regulations, 1997 read with Regulation 35(2) of Takeover Regulations, 2011.

2. It was observed that during the investigation period, under the category *(Shareholding of securities of persons belonging to the category Public and holding more than 1% of the total number of shares)* as available on BSE website, M/s. M R Share Broking Pvt Ltd. was holding 16.32% (as on quarter ended 31-Dec-2008), 14.57% (as on quarter ended 31-Mar-2009), 17.07% (as on quarter ended 30-Jun-2009), 14.93% (as on quarter ended 30-Sep-2009), 14.63% (as on quarter ended 31-Dec-2009), 15.83% (as on quarter ended 31-Mar-2010) and 15.47% (as on quarter ended 30-Jun-2010).

3. M/s. M R Share Broking Pvt Ltd., who is a stock broker, stated that it was not holding any shares of SIL, but, had purchased the shares on behalf of his clients. One of such clients on behalf of whom M/s. M R Share Broking Pvt Ltd. was holding shares as aforesaid was Shri Vijay Vora. The details of shares held by M/s. M R Share Broking Pvt Ltd. on behalf of Shri Vijay Vora are as given below:

(No. of shares)

Client	31.12.2008	31.3.2009	30.6.2009	30.9.2009	31.12.2009	31.3.2010	30.6.2010
* M/s. M R Share Broking Pvt. Ltd.	5,83,349 (14.67%)	5,53,730 (13.93%)	6,53,793 (16.44%)	6,68,200 (16.80%)	6,76,350 (17.01%)	4,84,589 (12.19%)	5,89,792 (14.83%)

**on behalf of Shri Vijay Vora*

4. Vide letter dated February 18, 2013, M/s. M R Share Broking Pvt Ltd. forwarded an undertaking dated February 16, 2013 by his client Shri Vijay Vora in respect of his shares as above.

5. It was further noted that under the category *(Shareholding of securities of persons belonging to the category Public and holding more than 1% of the total number of shares)*, Shri Vijay Vora was also shown to be holding shares in his name as follows:

(in %)

Client	31.12.2008	31.3.2009	30.6.2009	30.9.2009	31.12.2009	31.3.2010	30.6.2010
Shri Vijay Vora	4.03						1.24

6. Thus, from the above, it was observed that the **total holding** of Shri Vijay Vora in the scrip of SIL was as given below:

(in %)

Quarter ended	31.12.2008	31.3.2009	30.6.2009	30.9.2009	31.12.2009	31.3.2010	30.6.2010
Total Holding of Shri Vijay Vora	18.7	13.93	16.44	16.80	17.01	12.19	16.07
Change in Holding of Shri Vijay Vora		-4.77	+2.51	+0.36	+0.21	-4.82	+3.88

7. For the following changes in shareholding of Shri Vijay Vora during investigation period, no disclosures were alleged to be made by him:

Quarter Ending	Change	Remarks (as applicable)
31.3.2009	- 4.77%	No disclosure filed under Reg. 13(3) of PIT Regulations
30.6.2009	2.51%	No disclosure filed under Reg. 7(1) of Takeover Regulations, 1997 (i.e. more than 14% voting rights). No disclosure filed under Reg. 13(3) of PIT Regulations
30.9.2009	0.36%	
31.12.2009	0.21%	
31.3.2010	- 4.82%	No disclosure filed under Reg. 13(3) of PIT Regulations
30.6.2010	3.88%	No disclosure filed under Reg. 13(3) of PIT Regulations No disclosure filed under Reg. 7(1) of Takeover Regulations, 1997 (i.e. more than 14% voting rights).

8. During investigation, vide letter dated December 28, 2012, Shri Vijay Vora was advised to provide the copy of disclosures, if any, filed by him with the Company / Stock Exchange in terms of the PIT Regulations and/ or Takeover Regulations, as applicable. However, no reply was received from him even after acknowledging the same. Neither did Shri Vijay Vora reply to the SCN as well as supplementary SCN issued to him, nor, appeared for the personal hearing granted.

9. Further, SIL also stated that it had not received any disclosure from Shri Vijay Vora during the period January 1, 2009 to June 30, 2010.

10. I note that Shri Vijay Vora held more than 5% shares and offloaded shares as described in the table above. Hence, he was under Regulation 13(3) read with 13 (5) of PIT Regulations required to make the relevant disclosure to the company within two working days of the receipt of intimation of allotment of shares, or, the acquisition or sale of shares or voting rights, as the case may be, which he failed to do. Further, Shri Vijay Vora, I find, also did not make disclosures under Regulation 7(1) of the Takeover Regulations, 1997, when he acquired/ crossed more than 14% voting rights.

11. In view of the above, I conclude that Shri Vijay Vora had *inter alia* also violated the provisions of Regulation 13(3) of the PIT Regulations on 4 ocassions and Regulation 7(1) of the Takeover Regulations, 1997 read with Regulation 35 (2) of Takeover Regulations, 2011 on 2 ocassions.

❖ **<u>Penalty for Violations</u>**

1. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…".* Further in the matter of Ranjan Varghese v.

SEBI (Appeal No. 177 of 2009 and Order dated April 08, 2010), the Hon'ble SAT had observed "Once it is established that the mandatory provisions of takeover code was violated the penalty must follow."

2. In view of the foregoing, I am convinced that it is a fit case to impose monetary penalty under 15HA of the SEBI Act, 1992 on all the Noticees and additionally also under Section 15A(b) of the SEBI Act, 1992 on the Noticee Shri Vijay Vora. These read as under:

"15HA** - **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 of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

15A. Penalty for failure to furnish information, return, etc.

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

(a) …

(b) To file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;"

3. While determining the quantum of penalty under sections 15HA and/ or 15A(b) of SEBI Act, as applicable, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

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

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

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

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

(c) the repetitive nature of the default."

4. It is difficult in cases of such nature to quantify exactly the disproportionate gains or unfair advantage enjoyed by an entity and the consequent losses suffered by the investors. However, I note that the Noticees have made the following approximate profit/ loss by trading in SIL scrip during the investigation period:

(a) **Shri Vijay Vora** bought 11,50,383 SIL shares at a weighted average price of approx. Rs. 91.96 and sold 9,70,184 SIL shares at a weighted average price of approx. Rs. 98.53 during the investigation period. Thus, I note that Shri Vijay Vora made a **profit of approx. Rs. 63.74 lacs** by buying and selling 9,70,184 SIL shares during investigation period;

(b) **Ms. Hina Vora** bought 4,14,043 SIL shares at a weighted average price of approx. Rs. 90.60 and sold 3,85,019 SIL shares at a weighted average price of approx. Rs. 93.33 during the investigation period. Thus, I note that Ms. HinaVora made a **profit of approx. Rs. 10.51 lacs** by buying and selling 3,85,019 SIL shares during investigation period;

(c) **Ms. Minoti Dhawan** bought 70,739 SIL shares at a weighted average price of approx. Rs. 92.28 and sold 71,425 SIL shares at a weighted average price of approx. Rs. 91.89 during the investigation period. Thus, I note that Ms. Minoti Dhawan made a **loss of approx. Rs. 27,588/-** by buying and selling 70,739 SIL shares during investigation period;

(d) **Shri Chetan Dogra and M/s. Chetan Dogra HUF** bought 1,01,913 SIL shares at a weighted average price of approx. Rs. 91.57 and sold 1,39,334 SIL shares at a weighted average price of approx. Rs. 87.70 during the investigation period. Thus, I note that Shri Chetan Dogra and M/s. Chetan Dogra HUF made a **loss of approx. Rs. 3.94 lacs** by buying and selling 1,01,913 SIL shares during investigation period;

(e) **Shri Manojbhai Shah** received 1,60,306 SIL shares from Shri Vijay Vora off-market at a rate of Rs. 88.80 on February 06, 2009 as per details emailed by Shri Manoj Shah vide email dated January 26, 2015 and sold 1,34,050 SIL shares at a weighted average price of approx. Rs. 77.23 during the investigation period. Thus, I note that Shri Manojbhai Shah made a **loss of approx. Rs. 15.61 lacs** by buying off-market and selling 1,34,050 SIL shares during investigation period.

5. From the above, I note that while Shri Vijay Vora and Ms. Hina Vora made a profit, Ms. Minoti Dhawan, Shri Chetan Dogra/ M/s. Chetan Dogra HUF and Shri Manojbhai Shah have incurred losses. However, I find that the **Noticees group as a whole made a net profit** of approx. **Rs.54.42 lacs**. I am of the firm belief that in a scenario where several persons/ entities join hands to manipulate scrip, it is only the group's net profit that is relevant. In the preceding paragraphs it has been brought out how Ms. Minoti Dhawan, Shri Chetan Dogra/ M/s. Chetan Dogra HUF, and Shri Manojbhai Shah acted hand in glove with Shri Vijay Vora and Ms. Hina Vora to create artificial volume in the scrip of SIL and to manipulate the price of SIL scrip during the investigation period. Thus, the entire modus operandi, including the profit/ loss must be viewed as a whole, and not per individual.

6. I note that the Noticees by executing self trades/ reversal trades/ synchronized trades, created artificial volumes and manipulated the price of the SIL scrip, thereby sending wrong signal to the lay investors about trading in the scrip. Further, self trades/ reversal trades are considered to be serious violation, even in the absence of noticeable market effect, because they do not reflect the forces of supply and demand and give a false impression with respect to market liquidity. It is on account of such reversal/ self trades resulting in artificial volumes that the lay investors get trapped. Further, it is apparent from the case laws referred above that reversal/ synchronized/ self trades are, ordinarily and of their nature, baneful practices which will, invariably, have the purpose and, often, the effect of interfering with the integrity of securities market, even though such self trades/ reversal/ synchronized trades may be miniscule in quantity. This sort of activity is, therefore, rightly considered to be illegal and justifiably so.

7. I note that Shri Vijay Vora and Ms. Hina Vora *inter alia* executed reversal of trades in SIL scrip for 59,302 shares over a period of 78 trade days through 213 trades with last traded price (LTP) difference ranging between -7.53% to 6.08%, of which 13 trades for 42,356 shares were synchronized. The same day reversal of trades

between Shri Vijay Vora and Ms. Hina Vora were observed on 12 trade days for 26,231 shares. Shri Vijay Vora *inter alia* executed self trades for 18,358 shares on 27 trade days through 44 trades with difference with last traded price ranging from -3.59% to 2.27%. I note that Shri Vijay Vora's and Ms. Hina Vora's net impact of trades with LTP variation was Rs. 1,777.25 and Rs. 151.60 respectively. Besides, Shri Vijay Vora and Ms. Hina Vora established new high price of Rs. 10.7 and 0.2 respectively.

8. It has been brought out in the preceding paras of the Order as to how Ms. Hina Vora and Shri Vijay Vora were buying and selling shares on market from/ to each other, which is a clear indication of wrong doing. Trades getting matched between husband and wife on market cannot be a mere coincidence. These transcations were inherently and clearly fraudulent, and were carried out with a view of deceiving the lay investors. Trades between husband and wife where sale and purchase of securities are matched with each other, in terms illustrated above, could in no way have occurred without a prior meeting of minds.

9. Shri Vijay Vora transferred 1,60,306 shares to Shri Manojbhai Shah in off-market on February 06, 2009, of which a total of 98,847 shares (57,552 shares to Shri Vijay Vora and 41,295 shares to Ms. Hina Vora) were sold on the market back to Shri Vijay Vora/ Ms. Hina Vora by Shri Manojbhai Shah through 15 trade days, 111 trades with difference from Last Traded Price ranging from -1.73% to 4.11%. Shri Manojbhai Shah's sales to Shri Vijay Vora/ Ms. Hina Vora on-market ranged between 100% to 42.5% of Shri Manojbhai Shah's sell volume.

10. Ms. Hina Vora transferred to Shri Chetan Dogra shares in off-market trades on 3 different occasions i.e. on January 30, 2009 for 25,000 shares, on February 16, 2009 for 22,145 shares and on April 11, 2009 for 15,000 shares. I further find that Shri Chetan Dogra has also transferred 600 shares in off-market transaction to Ms. Minoti Dhawan on March 30, 2009. I further find that in 8 trade days comprising 30 trades, Shri Chetan Dogra *inter alia* bought 34,340 shares from Ms. Minoti Dhavan

and sold 37,999 shares to her and the difference from the last traded price was in the range from 1.74% to 6.25%. Thus, I note that there were reversal trades executed between Shri Chetan Dogra and Ms. Minoti Dhawan for 34,340 shares. Out of the total trades for 72,339 shares between Shri Chetan Dogra and Ms. Minoti Dhawan, trades for 63,463 shares (87.7%) were synchronized. I note that Ms. Minoti Dhawan's net impact of trades with LTP variation was Rs. 13.20. Besides, Ms. Minoti Dhawan established new high price of Rs. 3.2.

11. In 5 trade days comprising 14 trades, Shri Chetan Dogra executed self trades for 7,202 shares. The self trades of Shri Chetan Dogra were in the range of 19%-50% *of* the total buy quantity of Shri Chetan Dogra and in the range of 13%-19.9% *of* the total sell quantity of Shri Chetan Dogra on the four (4) trade dates when the self trades were executed by it (apart from the self trade of one share). In respect of trades of M/s. Chetan Dogra HUF for 3,293 shares, the counterparty was Shri Chetan Dogra and trades for 1,405 shares were in the nature of self trades. Further, the self trades of M/s. Chetan Dogra HUF were in the range of 2%-16% of the total buy quantity of M/s. Chetan Dogra HUF and in the range of 0.2%-21% *of* the total sell quantity of M/s. Chetan Dogra HUF on two (2) trade dates when the self trades were executed by it. I note that net impact of trades with LTP variation of Shri Chetan Dogra and M/s. Chetan Dogra HUF was Rs. 89.15 and Rs. 37.95 respectively. Besides, Shri Chetan Dogra and M/s. Chetan Dogra HUF established new high price of Rs. 8 and Rs. 1.3 respectively.

12. I further note that although the Noticees entered into trades with positive LTP and negative LTP, their overall impact on the price of SIL scrip during the investigation period has been positive and equal to Rs. 2,062.85. Besides the Noticees also established a new high price of Rs. 23.40 during the investigation period. This indicates attempt by the Noticees to artificially raise the price of SIL scrip during the investigation period.

13. It is observed from the above that Shri Vijay Vora and Ms. Hina Vora transferred shares in off market to other Noticees, which were subsequently used in the alleged manipulative trades as detailed above. In addition, I find that Shri Vijay Vora did not make the requisite disclosure under the relevant provisions of the Takeover Regulations/ PIT Regulations to the company and/ or to the Exchange, as applicable, hence, there was no dissemination of information to the general investor as regards the acquisition and/ or the change in shareholding of the Noticee Shri Vijay Vora, as applicable.

14. I find that the ***Hon'ble SAT vide Order dated October 22, 2013 in the matter of M/s. Angel Broking Pvt. Ltd. Vs. SEBI*** has held that:

    "Argument that turnover in SIL scrip was miniscule compared to large turnover of appellant and hence penalty need not be imposed against appellant cannot be accepted, because imposition of penalty for violating provisions of SEBI Act and regulations made thereunder are not dependent upon total turnover of person violating the provisions of SEBI Act/regulations made thereunder. One who has violated provisions of SEBI Act and regulations made thereunder must suffer even if turnover in the scrip in which violations are found is miniscule compared to the total turnover of that person."

15. Besides, I further note that though the SCN and Supplementary SCN, letter of reminder dated August 6, 2013, hearing notices dated September 11, 2013, October, 21, 2013 and August 11, 2014 as well as letter dated December 18, 2013 enclosing therewith a CD containing the trade Log, Order Log and Price Volume Analysis of the scrip were delivered to Shri Vijay Vora and Ms. Hina Vora, they did not file any reply to the SCN, nor did they appear for the hearing/s. Further, since the SCN and hearing notices could not be delivered to Shri Chetan Dogra and M/s. Chetan Dogra HUF, a publication regarding the SCN dated May 15, 2013 was made in the Times of India. Following the publication, a letter dated December 17, 2013 was received from Shri A.K. Bansal, M/s. A.K. & Advocates *inter alia* stating that they had been appointed by

Shri Chetan Dogra to deal with the matter. However, the original of the authority letter was never received. Despite the same, the SCN was sent to the authorized representative (AR) M/s. AK & Associates as desired. Thereafter, the AR M/s. AK & Associates filed a reply dated January 4, 2013 in the matter on behalf of Shri Chetan Dogra and M/s. Chetan Dogra HUF. A hearing was also scheduled for January 10, 2014, but, the same was adjourned upon request from the AR. It was noted that the notices issued to Shri Chetan Dogra and M/s. Chetan Dogra HUF were returned undelivered from the address of Shri Chetan Dogra/ M/s. Chetan Dogra HUF, though the reply from the AR M/s. AK & Associates also mentioned the same address. Further, no reply was received from the AR M/s. AK & Associates as well, though the notices were sent to his address too. The SCN, supplementary SCN and Hearing Notices were thereafter affixed at the address of Shri Chetan Dogra/ M/s. Chetan Dogra HUF. However, the Noticee did not appear for the hearings nor sent any reply to the supplementary SCN issued. The aforesaid shows that the Noticees viz. Shri Vijay Vora, Ms. Hina Vora, Shri Chetan Dogra and M/s. Chetan Dogra HUF have been negligent and irresponsible even while exercising their own rights under the law.

16. I note that person found to be guilty of violating PFUTP Regulations can be imposed a penalty of Rs. 25 crore or three times the amount of profit made, whichever is higher, under Section 15HA of the Act. Also, a person found guilty of Takeover Regulations/ PIT Regulations can be imposed a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

17. I note from the above that Shri Vijay Vora and Ms. Hina Vora while indulging in the manipulative activities in the scrip of SIL as brought out in the Order made a profit of approx. Rs. Rs. 63.74 lacs and Rs. 10.51 lacs by buying and selling 9,70,184 SIL shares and 3,85,019 SIL shares respectively during investigation period.

18. I find that Shri Manojbhai Shah has submitted that he had to receive some amount from Shri Vijay Vora for past services rendered, and since Shri Vijay Vora could not pay the same, hence Shri Vijay Vora transferred equity shares of different quantities

of about thirty five companies in demat mode from his demat account to Shri Manojbhai Shah's demat account on February 06, 2009 in off-market transaction. It is observed from details provided by Shri Manojbhai Shah vide email dated January 26, 2015 that total shares of value of Rs. 1,59,32,435.43 pertaining to 35 scrips, including SIL scrip were transferred by Shri Vijay Vora to Shri Manojbhai Shah off-market, of which value of 1,60,306 SIL shares transferred at the rate of Rs. 88.88 constituted Rs. 1,42,35,172.80. However, no documentary proof has been provided supporting why Shri Vijay Vora owed such a huge amount of Rs. 1.59 crore to Shri Manojbhai Shah.

19. I find that Shri Vijay Vora transferred to Shri Manojbhai Shah 1,60,306 SIL shares in off-market at the claimed rate of Rs. 88.88 on February 06, 2009. This, in itself, constituted value of Rs. 1.42 crore i.e. more than 89% of Rs. 1.59 crore worth of shares that were transferred by Shri Vijay Vora to Shri Manojbhai Shah in off-market transaction. I further find that the weighted average price at which the shares were transferred back by Shri Manojbhai Shah to Shri Vijay Vora/ Ms. Hina Vora is Rs. 77.08. In fact from a perusal of the trade log it is noted that Shri Manojbhai Shah had sold a large number of shares back to Shri Vijay Vora/ Ms. Hina Vora during the period when the share price of SIL scrip had fallen. *For example* during the month of May 2009, the share price of SIL scrip was falling. The share price of SIL scrip which had opened at Rs. 89.75 on April 22, 2009 went on falling steeply thereafter, and on May 15, 2009 touched a low of Rs. 46.60. The volume in the scrip was also dwindling. At such a time from May 21 to June 16, 2009, Shri Manojbhai Shah sold 54,228 shares back to Shri Vijay Vora/ Ms. Hina Vora at a huge discount to the claimed purchase price of Rs. 88.88 at which shares were transferred by Shri Vijay Vora to him. From the same, the argument of Shri Manojbhai Shah that shares were transferred by Shri Vijay Vora to him towards the money Shri Vijay Vora owed him appears highly unconvincing, as nobody will sell back the shares to the same person at a huge discount to the price at which the shares in the first place were transferred to make good the amount owed. This clearly indicates that Shri Manojbhai Shah acted in conduit with Shri Vijay Vora/ Ms. Hina Vora to create artificial volume in SIL

scrip, largely when the price of the scrip had fallen, by selling back to Shri Vijay Vora/ Ms. Hina Vora the shares acquired through off-market from Shri Vijay Vora. However, to disguise the reversal transaction, one leg of the transaction was done off-market. Though Shri Manojbhai Shah may not have contributed positively to the price, however, when seen holistically, the role of Shri Manojbhai Shah in creating an appearance of trading especially when the price of the scrip had fallen drastically, brings out the larger role of Shri Manojbhai Shah in manipulation during the investigation period.

20. Further, I note that Shri Chetan Dogra and Ms. Minoti Dhawan had also made marginal losses while trading in SIL scrip during the investigation period. However, the fact that Shri Chetan Dogra had executed off-market transactions on three different occasions with Ms. Hina Vora and on one occasion with Ms. Minoti Dhawan together with the self trades executed by Shri Chetan Dogra and Chetan Dogra HUF, the reversal transactions between Shri Chetan Dogra and Chetan Dogra HUF and the synchronized trades executed by Shri Chetan Dogra with Ms. Minoti Dhawan, as also the role played by Shri Chetan Dogra in manipulating the price of SIL scrip, when seen in its entirety establishes the fact that Shri Chetan Dogra too was acting in concert with Shri Vijay Vora. Further, the fact that reversal trades were executed between Shri Chetan Dogra and Ms. Minoti Dhawan for 34,340 shares and out of the total trades (purchase + sell) for 72,339 shares between Shri Chetan Dogra and Ms. Minoti Dhawan, trades for 63,463 shares (87.7%) were synchronized, together with the fact that Ms. Minoti Dhawan received 600 shares in off-market from Shri Chetan Dogra during the investigation period, indicates Ms. Minoti Dhawan's connection with the Noticees through Shri Chetan Dogra. I note that Minoti Dhawan has prayed that a lenient view be taken since she is undergoing financial difficulties. However, the fact remains that she allowed her name to be used by her late husband in manipulative trades that resulted in creation of artificial volume by executing reversal and synchronized trades with Shri Chetan Dogra during

the investigation period. This being the case, I am unable to view her case with much more compassion than of the other Noticees.

21. It is observed from the preceding paras that execution of synchronized/ reversal of trades by the Noticees were not isolated instances, but multiple number of such transactions were carried out over the investigation period, which clearly establishes malafide intent of the Noticees to create false appearance of trading in the SIL scrip. It is also observed that the net impact of the Noticees trades on the SIL scrip was positive Rs. 2,062.85 and the Noticees established new high price of Rs. 23.40 during the investigation period. Further, it is noted that the positive contribution to the last traded price by Shri Vijay Vora and Ms. Hina Vora was more than half of the total market positive LTP contribution during the investigation period. Even the net LTP contribution of Noticees viz. Shri Vijay Vora and Ms. Hina Vora constituted more than one third of the market positive LTP. This shows that the Noticees viz. Shri Vijay Vora and Ms. Hina Vora were primarily involved in pushing the price of SIL scrip up to make illegal gains by trading in the scrip. Further to generate artificial volumes, together with themselves causing false volumes to induce lay investors to trade in the scrip, Shri Vijay Vora/ Ms. Hina Vora also transferred shares in off-market mode to Shri Manojbhai Shah/ Shri Chetan Dogra to circumvent detection of reversal trades done on market with them/ entities acting in concert with them. Besides, the Noticees Shri Vijay Vora, Shri Chetan Dogra and M/s. Chetan Dogra HUF also executed self trades thereby defeating the purpose of anonymity of the trading system of the stock exchange and adversely affecting the investors interest by sending wrong signal to the lay investors, which is a cause of serious concern for the regulator.

ORDER

22. After taking into consideration all the facts and circumstances of the case, I impose the following penalty on the Noticees which will be commensurate with the violations committed by them:

<table>
<tr><th>Name of Noticee</th><th>Penalty
(in Rs.)</th><th>Regulations
violated</th><th>Penalty
Sections</th></tr>
<tr><td rowspan="3">Shri Vijay Vora</td><td>Rs.8,00,000/- (Rupees Eight Lacs Only)</td><td>Reg. 13 (3) of PIT Regulations</td><td rowspan="2">15A(b) of SEBI Act</td></tr>
<tr><td>Rs.4,00,000/- (Rupees Four Lacs Only)</td><td>Reg. 7 (1) of Takeover Regulations</td></tr>
<tr><td>Rs. 2,50,00,000/- (Rupees Two crore fifty lacs only)</td><td rowspan="2">Reg. 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (d), (e) and (g) of PFUTP Regulations, 2003</td><td rowspan="6">15HA SEBI Act</td></tr>
<tr><td>Ms. Hina Vora</td><td>Rs. 75,00,000/- (Rupees Seventy-five lacs only)</td></tr>
<tr><td>Shri Chetan Dogra</td><td rowspan="2">Rs. 50,00,000/- (Rupees Fifty lacs only) jointly and severally</td><td rowspan="4">Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a), (b), (e) and (g) of PFUTP Regulations, 2003.</td></tr>
<tr><td>M/s. Chetan Dogra HUF</td></tr>
<tr><td>Ms. Minoti Dhawan</td><td>Rs. 20,00,000/- (Rupees Twenty lacs only)</td></tr>
<tr><td>Shri Manojbhai R Shah</td><td>Rs. 25,00,000/- (Rupees Twenty-five lacs only)</td></tr>
</table>

23. The Noticees shall pay the said amount of penalty by way of demand draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to Shri Pranjal Jaiswal, Deputy General Manager, Investigations Department, SEBI Bhavan, Plot No. C – 4 A, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

24. In terms of rule 6 of the Rules, copies of this order are sent to the Noticees and also to the Securities and Exchange Board of India.

Date: **March 12, 2015**	**Anita Kenkare**
Place: **Mumbai**	**Adjudicating Officer**