BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/GR/AE/2019-20/7298-7304]

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

Lalit Amritlal Shah, (PAN: AWGPS0505G), **Suhani Lalit Shah,** (PAN: BDLPS2844F), **Pragnesh Vishnubhai Patel** (PAN: BARPP2493N), **Asarafbhai Majidbhai Pancha** (PAN: ANIPP1645B), **Afjalbhai Kasambhai Lakhani** (PAN: ABYPL5448E), **Monarch Project and Finmarkets Ltd** (PAN: AAACM8214F) and **Monarch Research and Brokerage Pvt Ltd** (PAN: AACCK5762C)

In the matter of

Sanwaria Agro Oils Limited

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI'**) conducted investigations in the scrip of Sanwaria Agro Oils Ltd. (hereinafter referred to as **"SAOL"/ "Sanwaria"**) for the period March 2, 2010 to May 03, 2010 (hereinafter referred to as the **"Investigation Period"**). The scrip is listed on the Bombay Stock Exchange Ltd.(BSE), as well as the National Stock Exchange of India Ltd. (NSE).

2. Investigation revealed that a group of nine entities, namely, Amitkumar Amrutlal Shah, Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Shah Bankim, Asarafbhai Majidbhai Pancha, Krishnakumar R Modi, Afjalbhai Kasambhai Lakhani and Monarch Project and Finmarkets Ltd were trading on NSE and/ or BSE in large quantities. These entities were found to be related. It was observed that these connected entities indulged in reversal and in synchronized trades amongst themselves. Krishnakumar R Modi and Afjalbhai Kasambhai Lakhani also indulged in

self trades. These trades allegedly created artificial volume in the scrip leading to false and misleading appearance of trading of the scrip in the securities market and hence, fraudulent. Additionally, the self trades by the aforesaid 2 entities lead to no change in beneficial ownership and hence fraudulent. In view of the same, adjudication proceedings were initiated against the 9 entities i.e. Amitkumar Amrutlal Shah, Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Monarch Project and Finmarkets Ltd, Shah Bankim, Asarafbhai Majidbhai Pancha, Krishnakumar R Modi and Afjalbhai Kasambhai Lakhani for alleged violations of Regulations 3(a), (b), (c), (d), and 4(1), 4(2) (a) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**'). The aforesaid entities are hereinafter referred to by their respective names or collectively as "the Noticees"

3. However, subsequently vide Adjudication Order dated January 28, 2020, the adjudication proceedings against (Late) Shri Amitkumar Amrutlal Shah and (Late) Shri Krishnakumar R Modi in the present matter have been abated as the said entities had passed away on June 08, 2015 and January 01, 2018 respectively.

APPOINTMENT OF ADJUDICATING OFFICER

4. Initially, Ms. Barnali Mukherjee was appointed as Adjudicating Officer("**AO**")on May 13, 2013 under section 15-I of SEBI Act, 1992read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Rules**') to inquire into and adjudge under Section 15HA of the SEBI Act, 1992 the alleged violationsof Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a) and (g) of the PFUTP Regulations by the Noticees. Consequent upon transfer of Ms. Barnali Mukherjee, Ms. Anita Kenkare was appointed as the AO vide order dated August 08, 2013. Pursuant to the transfer of the erstwhile AO, the undersigned has now been appointed as the AO in the present matter vide communique dated October 23, 2019 to inquire into and adjudge the alleged violation committed by the aforesaid 9 entities.

SHOW CAUSE NOTICE, HEARING AND REPLY

5. Show Cause Notice dated June 04, 2013 (hereinafter referred to as '**SCN'**) were issued by the erstwhile AO to the aforementioned 9 entities 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, 1992 on the Noticees 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. Since no reply was received from the Noticees (except Pragnesh Patel), a reminder letter dated August 6, 2013 was sent to them, advising them to file a reply in the matter, failing which it would be presumed that they had no submissions to make, and the matter would be proceeded with on the basis of the material available on record.

6. The details of the replies received from the Noticees are as under:

Shah Bankim, Monarch Project and Finmarkets Ltd.(MPFL) and Monarch Research and Brokerage Pvt Ltd. (MRBPL) (Monarch Entities)

7. Shri Bankim Shah replied to the SCN vide letter dated August 13, 2013 stating that he had never done any trading in the alleged scrip in his name. However, no further details/ documents were submitted by him in the matter to support his contention. Further, Monarch Project and Finmarkets Ltd (MPFL) also replied to the SCN vide letter dated August 24, 2013, *inter alia* stating that no proof/ evidence/ document had been been provided to prove the allegation made regarding group entities, and also requested for an opportunity for personal hearing. In view of the same, MPFL and Shah Bankim were, vide hearing notices dated August 26, 2013 provided an opportunity for personal hearing in the matter.

8. On the scheduled date, Shri Mayukh Pandya, Authorized Representative (**AR**) of the said entities, i.e. MPFL and Bankim Shah, appeared for the personal hearing and reiterated their earlier written submissions. Further, the AR filed additional written submissions dated September 10, 2013 on behalf of both the aforesaid entities. The

AR also confirmed that an entity namely, Monarch Research and Brokerage Pvt Ltd (MRBPL) is a group company of MPFL, wherein Shri Bankim Shah was the director. Further, vide letter dated August 24, 2013 MPFL had stated that it had not been provided with any documentary evidence to prove the allegations in the SCN. During the hearing, the AR clarified that the details missing were the KYCs forming part of Annexure 3 to the SCN. The same were provided to them during the hearing. Vide the additional written submissions, Bankim Shah stated that the PAN attributed to him in the SCN is not his, and submitted a copy of his PAN card.

9. It was noted from the integrated trade and order log for the period provided by BSE, that MRBPL., a registered broker of BSE, placed orders on behalf of Shah Bankim. The PAN used for the said transactions was seen to be AACCK5762C. However, since Shah Bankim had denied that the same was his PAN, clarification was sought from BSE as to whom the aforesaid PAN belonged, and the clients that traded under the said PAN. BSE, examined the PAN: AACCK5762C, in the UCC Database (as updated by the respective trading members of the Exchange), and forwarded the relevant extracts of the UCC of the aforesaid PAN.

10. From the UCC details it was observed that the name "Shah Bankim" appeared in the "individual client name" for the aforementioned PAN. The said UCC details were provided to Bankim Shah. Bankim Shah was further informed that his name appeared in the client name/ CP client name columns of the trade logs and the broker for the same was MRBPL, of which Bankim Shah was a director. In view of the same, Bankim Shah was advised to file his reply, if any, in the matter. However, once again Bankim Shah reiterated that he had not traded in the scrip during the investigation period.

11. In view of the repeated assertion by Bankim Shah, and also the copy of PAN card submitted by him showing ACIPS6574R, as the PAN of Bankim Shah, SEBI was requested to confirm and clarify as to whom the PAN: AACCK5762C belonged. In this regard, it was stated that at the relevant time, the trade details provided by BSE to SEBI consisted of two columns, "Client Name" and "Non Individual Client Name". in

case the client was an individual, the column corresponding to “Non Individual Client Name” was left blank, and if the client was a company, the column “Client Name” was left blank. However, in the present matter this was not followed by BSE, which resulted in the trades under PAN: AACCK5762C being attributed to “Shah Bankim”, whereas the said PAN actually belonged to MRBPL.

12. In view of the same, MRBPL was included as a Noticee in the matter, and an SCN dated July 27, 2015 was issued to it. Further, vide letter dated July 27, 2015 the other 8 entities i.e. Amitkumar Amrutlal Shah, Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, MPFL, Asarafbhai Majidbhai Pancha, Krishnakumar R Modi and Afjalbhai Kasambhai Lakhani were informed of the said change, and were advised that any reference to Shah Bankim in the SCN issued to them may be read as pertraining to MRBPL.

13. In view of the above, I find merit in the submission of Bankim Shah that the PAN: AACCK5762C did not belong to him. Hence, I am of the opinion that proceedings initiated against Bankim Shah in the matter are liable to be abated and SCN issued to him is disposed off accordingly.

14. MRBPL, on receipt of the SCN sought extension to file its reply in the matter. Thereafter, vide email and letter dated August 28, 2015, MRBPL stated that they were unable to understand certain points in the SCN, and hence required guidance regarding the same. Vide email dated September 3, 2015, MRBPL were advised to point out and elaborate the issues that they were unable to understand in the SCN latest by September 11, 2015, so that the same could be clarified. However, thereafter, vide email dated September 11, 2015, MRBPL stated it was filing a consent application in the matter and sought 15 days extension for filing a detailed reply to the SCN.

15. Thereafter, a reply dated September 16, 2015 was received from MRBPL (now amalgamated into Networth Stock Broking Ltd). Subsequently, intimation was received from SEBI that the consent application received from MRBPL had been

returned to the applicant for rectification of the application. Accordingly, an opportunity for personal hearing was granted to MRBPL (Now amalgamted to Networth Stock Broking Ltd) on December 7, 2015 vide hearing notice dated November 19, 2015.

16. On the scheduled date, Shri Mayukh Pandya, AR of MRBPL appeared for the personal hearing and made submissions. The AR reiterated earlier written submissions dated September 16, 2015. The AR also stated that MPFL and MRBPL had been merged into Networth Stock Broking Ltd. The AR once again confirmed that the KYCs establishing connections as per the SCN had been received by them. Further, the AR sought time to file additional written submissions and also stated that they would be filing a consent application in the matter.

17. However, no additional submissions were received from MRBPL. Further, vide email dated February 8, 2016, SEBI also stated that the Consent Application received from MRBPL was returned on December 23, 2015 due to some deficiency. Accordingly vide letter dated February 24, 2016, MRBPL was advised to file its additional written submissions, if any, latest by March 11, 2016.

18. However, subsequently MRBPL and MPFL (now merged into Monarch Networth Capital Ltd) filed a consent application in the matter. Accordingly, the matter was kept in abeyance. However, the said consent application was rejected, and Monarch Networth Capital Ltd ('**MNCL**') was informed of the same by SEBI vide letter dated August 24, 2017.

19. In the meanwhile, Monarch Networth Capital Ltd also filed written submissions dated May 29, 2017 in respect of the allegations against MRBPL and MPFL (now merged into Monarch Networth Capital Ltd) in the SCN. I note that the various replies filed by MRBPL and MPFL during the course of the adjudication proceedings can be summarized as under:

i. That MRBPL and MPFL have merged with Networth Stock Broking Limited as per scheme of arrangement vide order of the Hon'ble High Court of Judicature at Mumbai dated August 7, 2014 and Hon'ble High Court of Gujarat at Ahmedabad dated May 3, 2013 with effect from August 24, 2015. Pursuant to the above, the name of Networth Stock Broking Limited was changed to Monarch Networth Capital (MNCL) Ltd. on October 13, 2015.

ii. That around investigation period, MRBPL and MPFL each had more than 150 Dealers at their registered and corporate office. They dealt in the scrip of Sanwaria based on the research and fundamentals of the same, carrying out jobbing/arbitrage.

iii. During the investigation period, MRBPL and MPFL had arbitrage/ jobbing desk at our Ahmedabad office. MRBPL and MPFL had around 30 jobbers who used to trade their behalf in more than 100 scrips. All jobbers were allotted separate terminals.

iv. That Arbitrage/ jobbing trading is usually carried out to take benefit of the intraday price gap/ fluctuations that happen in the same scrips on different exchanges. This is carried out only in the scrip which are reasonably liquid and have got a reasonable volume to enable the dealer to square off the position by end of the day. A jobber used to deal only in selected scrips during the particular day/ period.

v. MRBPL and MPFL compared the position of various scrips both at BSE and NSE and then took a decision which would maximize their returns within due parameters of law. This decision has to be taken within fraction of a nanosecond since in screen based trading even blink of an eye counts.

vi. MRBPL and MPFL earned a meagre profit of around Rs 7000-8000 only by trading in the scrip of Sanwaria during the period of investigation.

vii. No role has been attributed to MRBPL and MPFL in the SCN for trading in the scrip of Sanwaria. MRBPL and MPFL traded in the scrip of Sanwaria after the trading in the scrip had already increased during period one.

viii. That MRBPL and MPFL had around 70,000 clients during the investigation period, and that Mr. Lalit Amritlal Shah and Ms. Suhani Lalit Shah, were just two of the 70,000 clients. Going by the basis on which connection has been alleged by SEBI, we would not be able to deal in any of the scrips in our proprietary account in which our clients are trading.

ix. That the entire dealing of Mr. Lalit Amritlal Shah and Ms. Suhani Lalit Shah in the scrip of Sanwaria were carried out by some other broker and MRBPL and MPFL were not even aware of the fact that they traded in the scrip. Further, these two clients are no longer trading with MNCL. Further, there is no evidence provided in the SCN that either MPFL or MRBPL were in contact in any manner, with these two entities or-any other entity alleged in the SCN.

x. That the SCN has throughout repeatedly alleged reversal, synchronized, etc. without providing any documentary evidence of the same. That MRBPL and MPFL had traded on the anonymous trading platform of NSE/ BSE.

xi. That MRBPL and MPFL have not received any investigation report along with the SCN. It is thus requested that the same may be provided to us.

xii. That the average trading volume for the different periods have gradually increased from pre investigation period, to investigation period to post investigation period.

xiii. That the total value of trading of MRBPL and MPFL in the scrip during the investigation period was a miniscule percentage of the total value traded in their proprietary accounts on BSE/ NSE. This was a very miniscule percentage of their operations during the investigation period. The daily position of MRBPL and MPFL at the end of the day during the period of investigation in the scrip of Sanwaria was nil.

xiv. That MRBPL and MPFL were not part of any alleged group and further SEBI has also been able to adduce any evidence in the SCN to support the allegations. Further, as regards to allegations of reversal/ synchronized / self trades, we would like to state that the trading has taken place at the electronic order matching system of the stock exchange wherein the counter party is not known and this is faceless trading platform provided by the stock exchange and approved by SEBI itself.

xv. Reversal of trades is only 4.11 % / 5.69 % of the total market volume on NSE/ BSE respectively.

xvi. That alleged synchronised trades were a miniscule percentage of the total market volume, and thus this cannot be alleged to have affected the market equilibrium in any manner.

xvii. That MRBPL and MPFL did not receive any alerts from SEBI or the Stock Exchange in respect of trading in the scrip of Sanwaria. MRBPL and MPFL were completely unaware of such trading being carried on in Sanwaria.

xviii. That the intension of the party is relevant. If one is to be charged to fraudulent and unfair practices stated in Regulation 4, it is absolutely necessary to prove that the person had acted intentionally.

20. Subsequent to the rejection of their consent application, MRBPL and MPFL were given another opportunity for personal hearing on November 23, 2017. Shri Balveer Singh Chaudhary, AR of MRBPL and MPFL appeared for the personal hearing and made submissions.

21. The AR reiterated the earlier submissions of MRBPL and MPFL. The AR placed on record the Order of the Whole Time Member, SEBI in respect of Mefcom Securities Ltd (Order dated May 5, 2017) and in respect of MR Share Broking Pvt Ltd (Order dated December 20, 2013).

22. Further, with regard to the reply of Monarch Networth Capital Ltd (on behalf of MRBPL and MPFL) dated May 29, 2017, the following discrepancies were brought to the notice of the AR:

    i. In respect of reply of Monarch Project and Finmarkets Ltd:

        a. At para 33, page 13 of the reply, it is stated that reversal trades are only 4.11% of total market volume. However, it appears that single side reversal has been compared to gross (two side) market volume.

b. The table at para 38, page 16 of the reply mentions the volume of alleged synchronized trades as 1,86,005, which does not tally with Annexure 4 of the SCN (synchronized trades at NSE)

ii. In respect of reply of Monarch Research and Brokerage Pvt. Ltd:

a. At para 44, page 17 of the reply, it is stated that reversal trades are only 5.69% of total market volume. However, it appears that single side reversal has been compared to (two side) gross market volume.

b. The table at para 38, page 16 of the reply mentions the volume of alleged synchronized trades as 34,523, which appears to be only the sell side volume.

23. The AR was asked to offer comments on the above. The AR undertook to file comments on the same latest by November 30, 2017. Accordingly, MNCL filed a reply in the matter vide letter dated November 30, 2017. They reiterated their earlier submissions, and further stated as under:

i. With respect to the queries raised in respect of Monarch Project and Finmarkets Ltd:

a. It has been queried that at para 33, page 13 of the reply it is stated that reversal trades are only 4.11% of total market volume. However, it appears that single side reversal has been compared to gross (two side) market volume.

We submit that since the reversal trade has got two legs of transactions, as per our understanding, it appeared that the quantity of 8,84,850 shares was a trade having two legs of transaction. Hence, we compared reversal trade with gross (two side) market volume, which came to around 4.11%. Since we were not part of any group, and there is no allegation of nexus with the group, it is stated that we have not carried out any reversal trade in the scrip. Therefore the comparison of reversal trades with the market *volume, although included, does not hold relevance, and does not have the impact on proceeding.*

The calculation was thus made as per our understanding. However, if the same is calculated on the basis of volume, the percentage shall amount to 8.22%.

b. It has been queried that at para 38, page 16 of the reply mentions the volume of alleged synchronized trades as 1,86,005 which does not tally with Annexure 4 of the SCN (synchronized trades at NSE).

In this regard we would like to state that the same is a typographical error and the volume of alleged trades is 173900. Accordingly the percentage of synchronized trades amounts to 0.81% of gross market volume, which is miniscule percentage of gross market volume.

We further state that since we are not part of any group, the fact that our trades synchronized with other entities connected in the matter is not relevant, and does not impact the proceedings.

ii. With respect to the queries raised in respect of Monarch Research and Brokerage Private Ltd:

a. It has been queried that at para 44, page 17 of the reply it is stated that reversal trades are only 5.69% of total market volume. However, it appears that single side reversal has been compared to (two side) gross market volume.

In view of our understanding as explained at 2(a) above, we compared reversal trade with gross (two side) market volume, which came to around 5.68%. We reiterate that we are not part of any group that carried out *trading in the scrip of Sanwaria Agro Oils Limited, and therefore the comparison has no relevance.*

The calculation was thus made as per our understanding. However if the same is calculated on the basis of volume, the percentage shall amount to 11.37%.

b. The table at para 38, page 16 mentions the volume of alleged synchronized trades as 34,523, which appears to be only the sell side volume.

In this regard we would like to state that the same is a technical error. The volume of alleged sychronised trades amounts to 67160, 0.60% of the gross market volume, which is miniscule percentage of gross market volume.

We further reiterate that since we are not part of any group, the fact that our trades synchronized with other entities connected in the matter is not relevant, and does not impact the proceedings.

24. Pursuant to the appointment of the undersigned as AO, opportunity of personal hearing was granted to MPFL and MRBPL on November 27, 2019, however the same was adjourned upon request from the said entities. Subsequently, the personal hearing in respect of MPFL and MRBPL was held on January 20, 2020 wherein the authorized representatives appeared for the said entities and reiterated the submissions made earlier including the their replies dated dated August 24, 2013, September 16, 2015, May 29, 2017, and November 30, 2017. Pursuant to the hearing, MPFL and MRBPL vide their letter dated February 05, 2020 submitted a list of pending cases at SEBI against them.

<u>Submission of (Late) Amitkumar Amrutlal Shah, Lalit Amritlal Shah and Suhani Lalit Shah (Shah Family)</u>

25. As regards to (Late) Amitkumar Amrutlal Shah, I note that vide letter dated November 7, 2017 Ms. Nikita Amitkumar Shah, wife of (Late) Mr.Amitkumar Amrutlal Shah has

stated that he has expired on June 08, 2015 and enclosed a copy of the death certificate of Mr. Amitkumar Amrutlal Shah. Vide email dated January 19, 2018, Ms. Nikita Amitkumar Amrutlal Shah was requested to provide a notorised/certified copy of death certificate. Vide letter dated Nil, she provided the same. In view of the same, as stated at para 3 of this order, the proceedings against Late Mr. Amitkumar Amrutlal Shah upon his death has been abated vide a separate Order dated January 28, 2020, I am of the view that his submissions and merits thereof need not be discussed.

26. However, in respect of Ms. Suhani Shah and Mr.Lalit Shah, it is observed that in reply to SCN, they vide letter dated June 20, 2013 received by SEBI on June 26, 2013 stated that they were in receipt of the SCN and further stated that they may wish to avail of the Consent process. Accordingly, they requested that the proceedings against them are kept in abeyance till the Consent process in completed, if availed.

27. Further, in reply to the reminder letter to submit their reply to SCN, Ms. Suhani Shah and Mr. Lalit Shah resent their letter dated June 20, 2013, which were received by SEBI on August 14, 2013 and requested that the proceedings against them are kept in abeyance till the Consent process is completed, if availed.

28. Thereafter, Hearing Notices dated August 26, 2013 were issued to Ms. Suhani Shah, Mr. Lalit Shah advising them to file their reply to the SCN at the earliest. The aforenamed entities were also informed that no consent application had been received from them till date, and also that on filing of consent application, the Adjudication proceedings would continue, and only the passing of the Adjudication Order would be kept in abeyance. A personal hearing was also scheduled for September 11, 2013. However, vide emails dated September 4, 2013, the aforenamed entities namely Ms. Suhani Lalit Shah and Mr. lalit Shah sought adjournment of the personal hearing on account of Paryushan Parv.

29. The request of the Noticee, Ms. Suhani Shah and Mr. Lalit Shah, was granted, and the hearing was rescheduled for October 11, 2013. However, vide email/ letters dated October 7, 2013, the aforesaid entities again sought adjournment of the hearing and

requested *inter alia* that the complete trade log, order, volume log and trade history be provided to them in soft version.

30. The request of Ms. Suhani Shah and Mr. Lalit Shah was once again granted. And they were each provided a compact disc (CD) containing soft copies of the Annexure to the SCN (Annexure 4, 5, 6, 7, 8, 9 and 10) which were in excel format. They were also granted an opportunity for personal hearing on November 18, 2013. However, vide email dated November 18, 2013 it was stated by Ms.Suhani Shah and Mr.Lalit Shah that due to a sudden death in the family they could not avail of the personal hearing, and requested that the same be adjourned for 15 days. Accordingly, vide email dated November 20, 2013 the hearing was rescheduled for December 3, 2013. It was also informed that no further requests for adjournment would be entertained as they had already been provided 3 opportunities.

31. Thereafter, vide emails dated November 26, 2013, Ms. Suhani Shah and Mr. Lalit Shah stated that they found various discrepancies in the data provided to her in the CD and its corresponding data shown in the SCN. They also stated that certain documents annexed to the SCN are not legible. In view of the same, the said entities sought inspection of documents. Even though the request of the said entities, at this belated stage, after seeking several adjournments for personal hearing, would delay the proceedings, they were advised to submit a list of documents that they wished to inspect. The said entities provided the same and they were informed the date of inspection vide letter dated January 21, 2014. Thereafter, the inspection of the documents was taken by them through an Authorised Representative (AR) and vide letter dated February 03, 2014 Ms. Suhani Lalit Shah confirmed that they have taken inspection and will make attempt to furnish her reply latest by February 20, 2014. Thereafter, vide email dated February 28, 2014 Ms. Suhani Shah and Mr. Lalit Shah submitted their replies, stating that the hard copies of the reply along with enclosures would be submitted separately. Hard copies of the same were received from Suhani Shah by March 10, 2014. Their main submissions *inter alia* are as follows:

i. That they availed the opportunity of inspection on January 31, 2014 and conducted inspection on documents offered to me thereat. They expressed sincere thanks for affording them an opportunity of inspection.

ii. That no relationship of any sort between the co-noticees nor nexus of any kind, whatsoever with any of the co-noticees has been found and placed on record for the alleged trades in SAOL.

iii. That allegations have been levelled on that basis as if the said trades have been executed by them as part of a "Group". Therefor the trading activity of Suhani Shah, Amitkumar Shah and Lalit Shah have not been shown as violative per se. Trading by the three Noticees needs to view independently and in isolation of any alleged activity of Group entities for judicious conduct of enquiry.

iv. KYC of the broker through which such alleged entities have traded in SAOL has not been relied upon and annexed with the Show Cause Notice and the KYC of Broker through which each such alleged entities have not traded has been found to have been relied upon.

v. The Object and purpose of indulging into such alleged trades by them as well as Group appears to be completely missing in the SCN.

vi. That synchronised trades per se are not violative of securities law but attendant circumstances of each trade determines the fate of each trade whether genuine or fraudulent.

vii. That they were individual investors and were regularly dealing in the securities market as a day traders/jobbers/arbitragers.

viii. That apart from the scrip of SAOL, they have traded in other scrip during the period of investigation. They had been trading in the scrip SAOL in the way of jobbing by placing order with two way quotes in the scrip.

ix. SAOL was not only scrip in which trading by the three Noticees took place. The SCN alleges only few trades in SAOL alleged to have been executed by them as synchronised trades leading to misleading appearance and therefor fraudulent and manipulative in manner and no other trades executed by them is under enquiry.

x. That the trades in SAOL were in the ordinary course of trading and certainly not in a fraudulent manner.

xi. That the synchronised trades constitute meagre amount of total trading volume.

xii. That the trades are matched by anonymous online trading system. Therefore, there is hardly any room to apply any manipulative or deceptive or techniques or scheme to artifice fraud.

xiii. Till date, there has been no regulatory action against them.

xiv. That the trading platform on the exchanges is anonymous. Order matching takes place after order acceptance wherein the system searches for an opposite matching order. If a match is found, a trade is generated. The order against which the trade has been generated is removed from the system. In case the order is not executed, further matching order are searched for and trades generated till the order get exhausted or no more match-able orders are found. If the order is not entirely exhausted, the system retains the order in the pending order book. Matching of the order is in the priority of price and time stamp. A unique trade-id is generated for each trade and the entire information of the trade is sent to the relevant members.

xv. That the trade details contained in CD are not matching with details furnished by their broker.

xvi. That on account of absence of allegation of price manipulation due to alleged trades, the question of fraud/ fraudulent manner on account of alleged trades does not arise at all.

xvii. That the transactions that took place during the period of investigation have been settled. Therefore, the question of entering into alleged synchronized trades amongst the Group without intension of performing it does not arise at all.

xviii. The quantum of alleged transactions and its admitted impact on total market is so negligible and virtually insignificant that there is no reason, whatso ever, to view and to allege the same as violative of alleged provisions of securities law.

32. Thereafter, an opportunity for personal hearing was granted to Ms Suhani Shah and Shri Lalit Shah on October 07, 2014. However, at the request of the aforenamed

entities the hearing was rescheduled to November 20, 2014. On the scheduled date, Mr. Anish Kheradia and Mr. Viral Shah, Authorised Representatives (**ARs**) appeared, before AO, on behalf of Ms. Suhani Lalit Shah and Mr. Lalit Shah wherein the following was noted:

a) The ARs confirmed that the KYCs establishing connection as per SCN have been received by them.
b) The ARs were shown that the discrepancy depicted by them in the data provided in the CD format vis-à-vis the data in SCN was because the comparision made by them did not take into account the correct table of the SCN vis-à-vis the CD. The ARs stated that they will once again compare the data and in case, if any discrepancy is noted, the same will be brought out and emailed by November 25, 2014.
c) With respect to the illustration at para 33 of page 52 and Table at enclosure VIII of Amitkumar Shah's reply dated February 27, 2014, wherein it was brought out that there were pending orders that should have been matched prior to trade ID 1423 for 2500 shares, the ARs were shown that the pending order as per their analysis which should have matched, was of a buy order for Rs.50.80, whereas the sell order of Suhani Shah was for Rs.50.85, and hence a lower buy order could not have matched a higher sell order.
d) ARs were advised to clarify what the tables provided at Enclosure 14 of the written submissions filed during the personal hearing stood for and bring out discrepancies, if any, vis a vis the tables provided in the SCN, otherwise match the same with the totals provided in the SCNs. The ARs were also advised to include figures and not just percentages and submit the same by November 25, 2014.
e) ARs undertook to submit the original authority letter by November 25, 2014.
f) The AR stated that they desire to make additional written submissions and the same would be filed by December 15, 2014.

g) The AR were advised to confirm if there were any past non-compliance of SEBI Act and Regulations by the Noticees or any past action against the Noticees by SEBI, by December 15, 2014.

33. Vide letter dated November 22, 2014, Ms. Suhani Shah and Mr. Lalit Shah submitted the original Authority letters and undertook to clarify the tables provided at Enclosure XIV of their replies by November 29, 2014. Thereafter, vide email dated December 9, 2014, enclosing letter dated December 8, 2014 a revised Enclosure XIV-A was provided. It was also stated that the BSE data reconciled with the SCN, but they were having difficulty in retrieving data of NSE and reconciling the same with the data in the SCN. Subsequently, additional written submissions were filed by the aforesaid entities vide letters dated December 29, 2017. The additional submissons reiterated the earlier submissions of the aforesaid entities, and *inter alia* further stated as under:

i. The total activity during Period I and Period II is as follows:

Lalit Amrutlal Shah

	Volume		TRADE		Total Volume		Trades		% of Volume		% of Trade	
Period	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
I	65000	143000	46	112	1915178	4205950	11927	29654	3.39%	3.40%	0.39%	0.38%
II	358638	665242	206	368	3663941	6555191	9837	20502	9.79%	10.15%	2.09%	1.79%
Total	423638	808242	252	480	5579119	10761141	21764	50156	7.59%	7.51%	1.16%	0.96%

Suhani Lalit Shah

	Volume		TRADE		Total Volume		Trades		% of Volume		% of Trade	
Period	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
I	137908	234791	148	270	1915178	4205950	11927	29654	7.20%	5.58%	1.24%	0.91%
II	289899	552261	228	390	3663941	6555191	9837	20502	7.91%	8.42%	2.32%	1.90%
Total	427807	786980	376	660	5579119	10761141	21764	50156	7.67%	7.31%	1.73%	1.32%

ii. That the contribution of the total trading of the Lalit and Suhani Shah to the total volume that took place on BSE and NSE is quite negligible and virtual insignificant, manifesting least influence or impact on the trades that took place on BSE and

NSE at prevalent point of time much less the creation of artificial volume and false and misleading appearance for the trades in SAOL. Considering the least volume in personal capacity, it is absurd to view the same as manipulative and fraudulent on group basis.

iii. In view of the above and more particularly in light of the fact of 9 synchronized trades out of Total 158 trades on BSE and 18 synchornized trades out of Total 574 trades on NSE, it clearly and evidently establishes the trading pattern of each of us in absolute independence of each other and in complete isolation of trades of each other on both BSE and NSE at prevalent point of time demonstrating that such negligible matching of trades was on account of Order Matching Rules followed by anonymous online trading system and therefore, the premise adopted and formed as basis for the present inquiry that these 9 entities allegedly entered into trades that were in the nature of reversal / synchronized / self trades is absolutely false and contrary to the records relied upon and therefore Show Cause Notice deserves to be dropped forthwith.

iv. That the data at table 7.10 further reveals that reversal trade of Lalit Shah with Krishnakumar (0.88%), Afzal (1.21%), Bankim (1.02%), Amit (0.59%), Suhani (0.32%) and Ashraf (0.00%) and Pragnesh (0.12%) aggregating to total reversal trade amounting to just 3.38% with related 7 entities on both the exchanges cumulatively. Further, Suhani Shah did not have any reversal trade with Pragnesh and the trade with Krishnkmar (0.59%), Afzal (0.21%),Bankim (1.02 %), Lalit (0.32%), Amit (0.73 %) and Asarf (0.07 %) aggregating to a total reversal trade amounting to just 3.02% with alleged related 8 entities on both the exchanges cumulatively. The highest percentage among group entities amounted to just 1.22% between Shah Bankim and Krishnakumar. In view of this crystal clear fact even the charges of reversal trade is also contrary to the facts available on record.

v. That there has not been any evidence or cogent and credible basis for the contents under column “Basis of Connection”, as has been observed by Hon’ble SAT in the matter of Smita N .Shah (Appeal No. 37of 2010).

vi. That the Group bought 62,82,418 shares and sold 62,81,610 shares (58.38% and 58.37% to the market volume). Market volume was 1,07,61,141 shares in NSE during the period of investigation", prima facie, appears to be misleading and confusing in as much as that aggregate of bought and sold shares amounts to 1,25,64,028 shares while total market volume has been claimed to be 1,07,61,141 shares, i.e. total market volume much less than group volume though claimed to have been constituting 58% of total Market Value.

vii. Barely few transactions have been found to have taken place amongst group entities on very few occasion with negligible quantity of shares. The alleged Synchronized is on account of the function of order matching rules of anonymous online order matching system.

viii. That no criteria to view reversed trade has been applied and placed on record

ix. That "Almost all trades amongst the Group were reversal trades" appears to be mere passing reference and swiping observation, without any diligent and committed act on part of the Investigating Authority to examine its impact or influence on securities market in the scrip of SAOL and therefor net worth in the scrip to be relied upon in the spate of present enquiry.

34. Pursuant to the appointment of the undersigned as AO, opportunity of personal hearing was granted to Shri Lalit Shah and Ms. Suhani Shah on November 27, 2019. Vide their letter dated November 21, 2019, however the said entities requested for postponement of the aforesaid hearing, and inter alia also stated *that ".. I will require some time to trace and search for such old records for which I need atleast 2 months time or else I request you to send me all all communications including replies, minutes of inspection, minutes of personal hearing, etc that took place since initiation of the impugned proceedings so as to enable me to participate in the present proceedings as expeditiously as possible"*.

35. Pursuant to the aforesaid request of the said entities and upon consideration of the same, they were granted adjournment and the next date of personal hearing was scheduled on January 20, 2020. Further, the following documents were also provided

to the aforesaid entities – minutes of the inspection of documents carried out by them, minutes of Personal hearing held before the previous AO, and the earlier replies submitted by the entities. Shri Lalit Shah and Ms. Suhani Lalit Shah vide their letter dated January 17, 2020 once again requested for postponement of the hearing scheduled on January 20, 2020, and inter alia stated that they required 1 more month of time, and further requested to keep the hearing on any date after February 20, 2020 or any other mutually conventient date.

36. Subsequently, Vide Hearing Notice dated January 21, 2020, Shri Lalit Shah and Ms. Suhani Lalit Shah were granted personal hearing on February 04, 2020. It is noted that the aforesaid entities did not appear for the said hearing. But, vide their letter dated January 30, 2020 the said entities once again requested for an opportunity of inspection of documents any time after February 20, 2020. Their request has not been acceded to. However in reply, the said entities were reminded of i) the number of opportunity of personal hearing granted on five occasions (viz. September 11, 2013, October 11, 2013, November 18, 2013, December 03, 2013, and October 07, 2014), and finally appeared on November 20, 2014, ii) inspection of all documents in the matter carried out by them as requested, iii) provided with copies of their earlier replies, minutes of of inspection and the minutes of personal hearing vide letter dated January 17, 2020. Besides, they were also informed of the opportunities of personal hearing granted twice before the undersigned which were postponed at their request.

37. In this regard, vide letter dated February 03, 2020, Shri Lalit Shah inter alia stated that Ms. Shuhani Shah is suffering from illness, hence they are unable to appear for the hearing on February 04, 2020, and enclosed a medical certificate in this regard. He also inter alia stated that *"In the meantime, you are requested to provide me the copy of the Investigation Report, basis for adopting basis and criteria of reversal trade adversely and details of such trade attendeant circumstances pursuant to order matching rules, the reply of other Noticees, etc. so as to enable me to take inspection".* In response, vide email dated February 07, 2020, it was clarified to the aforesaid Noticees that that all the relied upon information and documents to substantiate the

allegations in respect of them have already been provided to them along with the SCN and also subsequently in the inspection of documents carried out by them. It was also stated that that there are no new information and documents being relied upon against them in the present matter. Vide the said email, the aforesaid Noticees were given a last and final opportunity of personal hearing on February 26, 2020, and the said Noticees were also given the option, if they wish, to appear for the hearing through video conferencing from SEBI's Western Regional office at Ahmedabad. However, I note that the Noticees, vide their letter/email dated February 15, 2020 and February 24, 2020 once again requested for inspection of documents, and did not appear for the hearing on February 26, 2020. In view of the above, I note that sufficient opportunities of personal hearing have been granted to the aforesaid Noticees, however, they have failed to avail the same. Hence, I am inclined to proceed based on the documents available on record.

Submission of Krishankumar Modi:

38. With regards to the entity, (Late) Shri Krishankumar Modi, I note that vide letter dated January 21, 2014 and June 16, 2014, the entity had stated that he denies the charges in the SCN, and requested to be provided certain documents in the matter. The entity had also inter alia stated that that he was suffering from Diabetes, Hypertension and Renal failure for which he was under the regular care of the doctors. Subsequently, a letter dated November 22, 2019 has been received from Ms. Poonam Krishnakumar Modi, wife of Shri Krishnakumar Modi wherein she informed that her husband had passed away on January 01, 2018 and also enclosed copy of Death Certificate dated January 15, 2018. I am of the view that since the proceedings against Late Shri Krishnakumar Modi stand abated vide a separate Adjudication Order dated January 28, 2020 upon his death, his submissions and merits thereof need not be discussed.

Submission of Asarafbhai Majidbhai Pancha, Afjalbhai Kasambhai Lakhani and Pragnesh Vishnubhai Patel

39. The SCN was delivered to Asarafbhai Majidbhai Pancha, Afjalbhai Kasambhai Lakhani and Pragnesh Vishnubhai Patel.

40. Shri Pragnesh Patel replied to the SCN vide letter dated June 28, 2013 and stated that he did not know any of the entities mentioned in the SCN and that there was no intention of fraud while dealing in the scrip. Shri Pragnesh Patel also stated that many accounts (client account with DB International) may have been opened on the same day. Thereafter, hearing notices dated August 26, 2013, September 11, 2013, September 16, 2014 and October 27, 2017, December 22, 2017 were sent and delivered to Shri Pragnesh Patel giving him hearing opportunity on September 11, 2013, October 07, 2013, October 07, 2014, November 23, 2017 and January 05, 2018 but he did not appear for the hearings. Moreover, subsequent to the inclusion of MRBPL as a Noticee in the matter as noted above, Shri Pragnesh Patel was informed of the same and was also given an opportunity to make any further submissions in the matter. In reply to notice of hearing dated December 22, 2017, the said entity replied that he does not know Lalitbhai directly, but indirectly he knows Lalitbhai Shah who was handling his account. At the time of trading in the scrip he was just 20 and studying and new to the share market and he did not have hint of such trading as he did not receive any bill. The last answer sent to AO was also prepared by Shri Lalitbhai. He further mentioned that he do not have any intention or means of doing any type of fraud or such trading.

41. Despite delivery of SCN to Shri Afjalbhai Lakhani, no reply was received from him. Accordingly a reminder letter dated August 6, 2013, and hearing notices dated August 26, 2013 and September 11, 2013 were issued and delivered to the said entity. Thereafter, vide letter (received via FAX) dated October 10, 2013 Shri Afjalbhai Lakhani *inter alia* stated that he denied the allegations in the SCN. He also requested for a copy of the Investigation Report and stated that the Trade and Order Log provided were faulty and incomplete. Further, he submitted that his trades in the scrip were in the nature of jobbing, and any synchronization was incidental and not intentional.

42. Thereafter, vide letter dated October 21, 2013, Shri Afjalbhai Lakhani was provided a CD containg soft copies of the Annexures to the SCN in Excel format, as well as the Trade and Order Logs. The said entity was also informed that the relevant part of the Investigation Report already formed part of the SCN. Accordingly, he was advised to file his reply in the matter. However, no reply was received from Shri Afjalbhai Lakhani. Opportunities of personal hearing was also granted to him vide hearing notices dated October 21, 2013 and September 16, 2014. Further, hearing opportunity was granted vide letter dated October 26, 2017 which came back undelivered and final hearing opportunity given vide letter December 18, 2017 was delivered but Shri Afjalbhai Lakhani neither appeared for hearing nor replied. Moreover, subsequent to the inclusion of MRBPL as a Noticee in the matter as noted above, Shri Afjalbhai Lakhani was informed of the same and was also given an opportunity to make any further submissions in the matter. However, no reply was received from him.

43. With respect to Shri Asarafbhai Majidbhai Pancha, though the SCN, reminder letter dated August 6, 2013, hearing notices dated August 26, 2013, September 11, 2013, September 16, 2014 and October 27, 2017 were delivered to him, he has not filed any reply in the matter. The said entity did not also reply to the letter dated July 27, 2015 informing him of the inclusion of MRBPL as a Noticee in the matter as noted above. In view of the same, I am compelled to proceed in the matter against Shri Asarafbhai Majidbhai Pancha *ex parte.*

44. Pursuant to the appointment of the undersigned as AO, opportunity of personal hearing was granted to Shri Asarafbhai Majidbhai Pancha, Shri Afjalbhai Kasambhai Lakhani and Shri Pragnesh Vishnubhai Patel on November 27, 2019. However, I note that the said entities did not appear for the hearing nor was any reply filed by them.

CONSIDERATION OF ISSUES AND FINDINGS

45. I have carefully examined the 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) If so, whether the Noticees are in violation of Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a) and (g) of the PFUTP Regulations?

c) Do the violations of PFUTP Regulations by the Noticees, if any, attract monetary penalty under section 15HA of the SEBI Act, 1992?

d) 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?

46. 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:

<u>PFUTP Regulations, 2003</u>

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;

…

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

FINDINGS

47. Upon careful perusal of the material available on record, I now proceed with the findings in connection with the role of each of the entities as against the violations as alleged in the case.

48. As mentioned earlier, I also note that Shri Bankim Shah was included as a Noticee in the matter due to an error in the UCC database (as provided by the Member to BSE). However, upon verification of the details provided by Shri Bankim Shah, it came to light that the PAN to which the impugned trades in the matter were attributed, did not belong to him. Rather, the same was the PAN of MRBPL. In view of the same, the charge against Shri Bankim Shah cannot stand, and the matter qua Shri Bankim Shah is disposed of accordingly.

49. I will now deal with issue as to whether the Noticees indulged in manipulative, fraudulent and unfair trade practices while dealing in the scrip of Sanwaria, and if so, whether the 7 Noticees (i.e. apart from Late Mr. Amitkumar Amrutlal Shah, Late Krishnamumar Modi and Shri Bankim Shah) have violated Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a) and (g) of PFUTP Regulations. Upon careful perusal of the material available on record, I find the following:

50. I note that the scrip of SAOL was listed on BSE and NSE. The total traded quantity during the investigation period in the scrip of SAOL was observed to be 1,07,61,141 shares on NSE, and 55,79,119 shares on BSE. It was observed that a group of nine clients were trading on NSE and BSE. These nine entities allegedly entered into trades that were in the nature of reversal/ synchronized/ self trades. On examination, it was

observed that the Noticees were connected to each other. The details of their connection is given below:

Sr.No	Client Name	Pan No	Basis of Connection
1	Asarafbhai Majidbhai Pancha	ANIPPI1645B	As per the KYC details submitted by the trading member DB (International) Stock Brokers Ltd. It was observed that Asarafbhai Majidbhai Pancha, Amitkumar Amrutlal Shah, Krishnakumar R Modi, Afjalbhai Kasambhai Lakhani, were introduced by Lalit Amritlal Shah.
2	Amitkumar Amrutlal Shah (deceased)	ADGPS0714A	
3	Krishnakumar R Modi	AABPM4138J	
4	Afjalbhai Kasambhai Lakhani	ABYPL5448E	
5	Lalit Amritlal Shah	AWGPS0505G	As per the KYC details provided by the trading member MTL Share & Stock Brokers Ltd. It was observed that Suhani Lalit Shah had the same address as that of Lalit Amritlal Shah. As per reply dated 23.05.2011 of Amit Kumar Amrutlal Shah, Lalit Amritlal Shah is his brother.
6	Suhani Lalit Shah	BDLPS2844F	
7	Monarch Project and Finmarkets Ltd (Monarch Project)	AAACM8214F (NSE Broker)	Shah Bankim is the director of Monarch Research and Brokerage Pvt Ltd. Monarch Project, broker of NSE and Monarch Research & Brokerage Pvt Ltd, BSE broker. Monarch Project and Monarch Research are part of the same group (Source: http://www.monarchresearch.co.in). Monarch Project traded in NSE. Monarch Research traded in BSE. The clients at Sl. No 5 & 6 were registered as clients with Monarch Research.
8.	Monarch Research and Brokerage Pvt. Ltd. (Monarch Research)	AACCK5762C (BSE)	
9.	Pragnesh Vishnubhai Patel	BARPP2493N	This entity along with aforesaid four (S.no 1 to 4) registered as client with DB (International) in same place (Gurgaon) and the date of registration of the entity is same as that of Krishnakumar R Modi.

A. **Reversal of trades/ Synchronized Trades/ Self Trades:** From the trading details, the entities have been alleged to have executed reversal trades/ synchronized trades among themselves. Some of the entities were also alleged to have executed self trades.

i. **Trading in the scrip on NSE by the Noticees (NSE Group)**

51. It is observed that the NSE Group, (i.e all entities apart from MRBPL who traded on BSE) bought 62,82,418 shares and sold 62,81,610 shares (58.38% and 58.37% to the market volume) on NSE. The market volume in the scrip was 1,07,61,141 shares on NSE during the period of investigation. Out of the above purchase and sales, 62,04,781 shares were bought and sold among the NSE Group, which amounts to 98.76% on

purchase side and 98.78% on sale side. The summary of the **trades among the NSE Group** is furnished below:

Rows represent buy	Columns represent sell										
Sell / Buy	Krishna Kumar	Afjalbhai	Monarch Project	Lalit Amrut	Suhani	Amit Kumar	Pragnesh	Asarafbhai	**Total Buy among group (a)**	(a) As % of Mkt Vol	Total Buy of client	**As % of their Total Buy**
Krishna Kumar	152951	279609	241460	196437	188684	108815	31999	73519	**1273474**	11.83%	1306263	97.49%
Afjalbhai	291631	20083	125766	256090	50007	72618	162409	89402	**1068006**	9.92%	1087765	98.18%
Monarch Project	264409	125739	27	15000	209904	153990	187185	0	**956254**	8.89%	959357	99.68%
Lalit Amrut	211447	264311	18000	2	95995	154689	55950	0	**800394**	7.44%	808242	99.03%
Suhani	144415	49500	264879	121412	10	173186	14412	14299	**782113**	7.27%	786980	99.38%
Amit Kumar	105723	75655	108835	155235	208038	5	0	19700	**673191**	6.26%	679080	99.13%
Pragnesh	32000	163900	190133	56000	11900	0	1	0	**453934**	4.22%	456907	99.35%
Asarafbhai	70879	89529	6000	0	18997	12000	0	10	**197415**	1.83%	197824	99.79%
Total Sell among grp (b)	**1273455**	**1068326**	**955100**	**800176**	**783535**	**675303**	**451956**	**196930**	**6204781**	**57.66%**	**6282418**	**98.76%**
(b) As % of Mkt Vol	11.83%	9.93%	8.88%	7.44%	7.28%	6.28%	4.20%	1.83%	**57.66%**			
Total Sell of client	1305205	1088015	959357	808242	786980	679080	456907	197824	**6281610**			
As % of Total Sell	97.57%	98.19%	99.56%	99.00%	99.56%	99.44%	98.92%	99.55%	**98.78%**			

52. The above table shows that out of the total quantity traded by the above mentioned NSE Group of entities, more than 98% of the quantity was traded among them within the Group.

ii. **Trading in the scrip on BSE by the Noticees (BSE Group):**

53. It is observed that the BSE Group (which includes all the Noticees other than MPFL who traded on NSE only), had bought 31,68,080 shares and sold 31,69,148 shares (56.78% and 56.80% of the market volume respectively). Market volume was 55,79,119 shares in BSE during the period of investigation. Out of the above purchase and sales 29,36,520 shares were bought and sold among the BSE Group, which works out to 92.69% on the purchase side and 92.66% on the sale side. The summary of the **trades among the group** is furnished below:

Sell / Buy	MRBPL	Afjalbhai	Lalit Amrit	Suhani	Krishnakumar	Pragnesh	Amitkumar	Asarafbhai	**Total Buy among group (a)**	(a) As % of Mkt Vol	**Total Buy of client**	**As % of their Total Buy**
MRBPL	43	107489	16000	130204	166018	150895	83000	0	**653649**	11.72%	687126	95.13%
Afjalbhai	107499	16010	138448	32928	34490	114755	36500	30000	**510630**	9.15%	512626	99.61%
Lalit Amrit	16000	144400	0	32300	108348	39500	50250	0	**390798**	7.00%	423638	92.25%
Suhani	137200	27421	32500	0	60138	15495	89801	12399	**374954**	6.72%	427807	87.65%
Krishnakumr	156936	34500	106630	71076	0	0	0	0	**369142**	6.62%	382455	96.52%
Pragnesh	150940	117489	42672	15520	0	10	0	0	**326631**	5.85%	341803	95.56%
Amitkumar	84990	33351	58245	78131	0	2500	0	5952	**263169**	4.72%	329805	79.80%
Asarafbhai	0	30000	0	9509	0	0	8038	0	**47547**	0.85%	62820	75.69%
Total Sell among group (b)	**653608**	**510660**	**394495**	**369668**	**368994**	**323155**	**267589**	**48351**	**2936520**	**52.63%**	**3168080**	**92.69%**
(b) As % of Mkt Vol	11.72%	9.15%	7.07%	6.63%	6.61%	5.79%	4.80%	0.87%	**52.63%**			
Total Sell of client	687126	512636	423638	427807	383513	341803	329805	62820	**3169148**			
As % of Total Sell	95.12%	99.61%	93.12%	86.41%	96.21%	94.54%	81.14%	76.97%	**92.66%**			

54. From the above, it is clear that out of total quantity traded by the above entities, more than 92% of the quantity was traded among the BSE Group within the group.

55. The above percentages (more than 90%) of trades on BSE & NSE, which account for almost the entire trades of the Noticees in the scrip of SAOL indicate that the trading platform of the exchanges were being manipulated. It is inexplicable that when a group of 8-9 entities form around half the market volume, more than 90% of their trades match within that said group, and only a few trades are executed with the remaining market participants. Such a situation raises a red flag, and is a clear indication of manipulation. Hence, the contention of the Noticees that they could not have executed the trades in a manipulative manner as the trading platform was anonymous appears is without any merit.

Reversal Trades among the NSE Group:

56. The analysis of trade and order long brings out that on NSE, out of the total trades entered into by the NSE Group among themselves, majority trades were reversal trades. The details of reversal trades and self trades by the group are given in the table below.

Sell / Buy	Krishna Kumar	Afjalbhai	Monarch Project	Lalit Amrut	Suhani	Amit Kumar	Pragnesh	Asarafbhai	Total Reversal Qty	Total Buy among group	**Reversal as % group Buy**
Krishna Kumar	152951	279214	241409	187449	140321	103707	31999	70519	**1207569**	1273474	**94.82%**
Afjalbhai	279214	20083	125733	255989	44510	72613	162333	89337	**1049812**	1068006	**98.30%**
Monarch Project	241409	125733	27	15000	206903	108835	186943	0	**884850**	956254	**92.53%**
Lalit Amrut	187449	255989	15000	2	83912	144139	55950	0	**742441**	800394	**92.76%**
Suhani	140321	44510	206903	83912	10	166997	11422	14299	**668374**	782113	**85.46%**
Amit Kumar	103707	72613	108835	144139	166997	5	0	12000	**608296**	673191	**90.36%**
Pragnesh	31999	162333	186943	55950	11422	0	1	0	**448648**	453934	**98.84%**
Asarafbhai	70519	89337	0	0	14299	12000	0	10	**186165**	197415	**94.30%**
Total Reversal Qty	**1207569**	**1049812**	**884850**	**742441**	**668374**	**608296**	**448648**	**186165**	**5796155**	**6204781**	**93.41%**
Total Sell among group	1273455	1068326	955100	800176	783535	675303	451956	196930	6204781		
Reversal as % group Sell	**94.83%**	**98.27%**	**92.64%**	**92.78%**	**85.30%**	**90.08%**	**99.27%**	**94.53%**	**93.41%**		

The shaded data depicts self trades executed.

57. From the above it is observed that the reversal quantity and self trades (of two Noticees) of the NSE Group together constituted almost 93.41% of the total group traded quantity. **An example** of such reversal trades executed by two Noticees, namely Late Krishna Kumar (Pan No. AABPM4138J) and Afjalbhai (Pan No. ABYPL5448E) is given below.

TRADE _DATE	**BUYER_PAN**	**SELLER_PAN**	**Total**	**Reversal Qty**
05-04-2010	AABPM4138J	ABYPL5448E	21000	21000

05-04-2010	ABYPL5448E	AABPM4138J	21000	
09-04-2010	AABPM4138J	ABYPL5448E	25000	25000
09-04-2010	ABYPL5448E	AABPM4138J	25000	
12-04-2010	AABPM4138J	ABYPL5448E	5996	5996
12-04-2010	ABYPL5448E	AABPM4138J	5998	
13-04-2010	AABPM4138J	ABYPL5448E	14471	14471
13-04-2010	ABYPL5448E	AABPM4138J	19000	
15-04-2010	AABPM4138J	ABYPL5448E	15010	15010
15-04-2010	ABYPL5448E	AABPM4138J	17999	
16-04-2010	AABPM4138J	ABYPL5448E	17500	17250
16-04-2010	ABYPL5448E	AABPM4138J	17250	
19-04-2010	AABPM4138J	ABYPL5448E	10000	10000
19-04-2010	ABYPL5448E	AABPM4138J	10000	
21-04-2010	AABPM4138J	ABYPL5448E	18000	18000
21-04-2010	ABYPL5448E	AABPM4138J	18000	
22-04-2010	AABPM4138J	ABYPL5448E	15993	15993
22-04-2010	ABYPL5448E	AABPM4138J	17990	
26-04-2010	AABPM4138J	ABYPL5448E	100	100
26-04-2010	ABYPL5448E	AABPM4138J	3000	
27-04-2010	AABPM4138J	ABYPL5448E	56639	56639
27-04-2010	ABYPL5448E	AABPM4138J	56639	
28-04-2010	AABPM4138J	ABYPL5448E	29900	29800
28-04-2010	ABYPL5448E	AABPM4138J	29800	
29-04-2010	AABPM4138J	ABYPL5448E	50000	49955
29-04-2010	ABYPL5448E	AABPM4138J	49955	
			571240	**279214*2**

58. From the above trading pattern, it is observed that the Noticee, (Late) Krishna Kumar bought from Afjalbhai and sold back to him on the same day, a pattern observed over a number of days. The aforesaid trades were not the solitary instance there are several other trades depicting similar pattern of trading among the Noticees of the NSE Group. Almost all trades (i.e. 93.41%) amongst the NSE Group were reversal trades and the reversal trades of the NSE Group amounted to 53.86% of the total market volume during the investigation period on NSE.

59. From the above it is observed that the reversal quantity of the group of Noticees together constituted almost 93.41% of the total group traded quantity.

Reversal Trades among the BSE Group:

60. The analysis of trade and order long brings out that on BSE, out of the total trades entered into among themselves by the BSE Group, majority trades were reversal trades. The details of Noticee wise reversal trades and self trades (highlighted) are depicted below:

Sell / **Buy**	MRBPL	Afjalbhai	Lalit Amritlal	Krishna Kumar	Pragnesh	Suhani	Amit Kumar	Asarafbhai	**Total Reversal Qty**	Total Buy Qty among Group	Reversal Qty as % to Group Buy
MRBPL	43	107488	16000	156936	150865	125204	77990	0	**634526**	653649	**97.07%**
Afjalbhai	107488	16010	138348	34490	114754	24421	33351	30000	**498862**	510630	**97.70%**
Lalit Amritlal	16000	138348	0	100338	39451	21500	47245	0	**362882**	390798	**92.86%**
Krishna Kumar	156936	34490	100338	0	0	54128	0	0	**345892**	369142	**93.70%**
Pragnesh	150865	114754	39451	0	10	15495	0	0	**320575**	326631	**98.15%**
Suhani	125204	24421	21500	54128	15495	0	70131	9000	**319879**	374954	**85.31%**
Amit Kumar	77990	33351	47245	0	0	70131	0	5952	**234669**	263169	**89.17%**
Asarafbhai	0	30000	0	0	0	9000	5952	0	**44952**	47547	**94.54%**
Total Reversal Qty	**634526**	**498862**	**362882**	**345892**	**320575**	**319879**	**234669**	**44952**	**2762237**	2936520	**94.06%**
Total Sell Qty among Group	653608	510660	394495	368994	323155	369668	267589	48351	2936520		
Reversal Qty as % to Group Sell	**97.08%**	**97.69%**	**91.99%**	**93.74%**	**99.20%**	**86.53%**	**87.70%**	**92.97%**	**94.06%**		

61. From the above it is observed that the reversal trades and self trades of the BSE Group of Noticees together constituted almost 94% of the total group traded quantity and 49.51% of the total market volume during the investigation period on BSE.

62. The reversal of trades indicates that the parties did not intend to transfer beneficial ownership. In the instant case, the parties changed/reversed their position immediately on the day without any change in the situation. An analysis of sample reversed trades which were also synchronized trades on NSE is given below where the Noticeees changed their position on the same day:

Buyer Name	**Trade Date**	**Seller Name**	**Trade Price (Rs.)**	**Trade Time**	**Quantity Traded**
Suhani	23/04/2010	Asrafbhai	51.1	15:23:49	3000
Asrafbhai	23/04/2010	Suhani	51.05	15:23:57	3000
Suhani	09/04/2010	KK Modi	65.95	10:34:41	1000
Suhani	09/04/2010	KK Modi	65.95	10:35:05	1000
Suhani	09/04/2010	KK Modi	66.1	10:36:06	1000
KK Modi	09/04/2010	Suhani	65.95	10:34:48	1000
KK Modi	09/04/2010	Suhani	66.1	10:35:43	1000
KK Modi	09/04/2010	Suhani	66.15	10:36:18	1000
MPFL	08/04/2010	Pragnesh	68.15	10:34:59	2500
MPFL	08/04/2010	Pragnesh	68.1	10:35:20	2500
MPFL	08/04/2010	Pragnesh	68.15	10:35:42	2500
MPFL	08/04/2010	Pragnesh	68.1	10:36:04	2500
MPFL	08/04/2010	Pragnesh	69	11:44:33	2500
MPFL	08/04/2010	Pragnesh	69	11:44:51	2500
MPFL	08/04/2010	Pragnesh	69.1	11:45:13	2500
MPFL	08/04/2010	Pragnesh	69.05	11:45:54	2500
Pragnesh	08/04/2010	MPFL	68.1	10:34:51	2500
Pragnesh	08/04/2010	MPFL	68.15	10:35:12	2500
Pragnesh	08/04/2010	MPFL	68.1	10:35:33	2500
Pragnesh	08/04/2010	MPFL	68.15	10:35:56	2500
Pragnesh	08/04/2010	MPFL	69	11:44:21	2500
Pragnesh	08/04/2010	MPFL	69.05	11:44:43	2500
Pragnesh	08/04/2010	MPFL	69.2	11:45:06	2500
Pragnesh	08/04/2010	MPFL	69	11:45:45	2500
KK Modi	16/04/2010	Amit Shah	52.8	12:51:12	1000
Amit Shah	16/04/2010	KK Modi	52.75	12:51:52	1000
Afjal	23/04/2010	Amit Shah	51.1	15:23:30	3000
Amit Shah	23/04/2010	Afjal	51.05	15:23:22	3000
KK Modi	27/04/2010	Afjal	47.95	10:01:02	1950
KK Modi	27/04/2010	Afjal	48.2	10:04:36	2000
Afjal	27/04/2010	KK Modi	47.85	10:00:16	1950
Afjal	27/04/2010	KK Modi	48.05	10:04:05	2000

MPFL	03/05/2010	Pragnesh	45.75	13:49:33	4000
MPFL	03/05/2010	Lalit Shah	45.55	14:52:55	5000

63. The above sample analysis of the synchronized trades on NSE shows that by reversing the trades in a synchronized manner, the Noticees have used the stock exchange for a non-genuine trade. Trading is always with the aim to make profits. But if one party makes loss and that too in preplanned and rapid reverse trades, it is not genuine. Similar pattern of reversal trades was also observed in synchronized trades executed by the Noticees on BSE. From the patten of synchronized reverval trades, it is clear that the Noticees did not intend to transfer beneficial ownership in the securities and these trades are not genuine. The repeated reversals of trades in a sychronised manner, made it clear that the parties were not trading in the normal sense and ordinary course. Resultantly, there has clearly been a restriction on the free and fair operation of market forces in the instant case.

<u>Synchronized Trades among the NSE Group Noticees:</u>

64. From the trading details of the Noticees of the NSE Group, I note that on NSE out of the total trades executied among the Noticees of the Group given in table at Para 51 above, several trades among the NSE Group were found to be synchronized (buy order and sell order quantity and rate being identical and orders placed within a time gap of 1 minute). The synchronized trades among the NSE Group was for 4,68,367 shares i.e. 7.5% of the group traded quantity and 4.35% to the market volume during the investigation period. The details of synchronized trades amongst the NSE Group are placed below:

BUYER_PAN	DATE	BORD _TIME	BORD _LIMIT _PR	BORD _ORIG _VOL	SELLER_PAN	SELLER _NAME	SORD _TIME	SORD_ LIMIT _PR	SORD _ORIG _VOL	TRD_ PRICE	TRADE _TIME	Total
AAACM8214F	08/04/2010	10:34:59	68.15	2500	BARPP2493N	PRAGNESH	10:34:59	68.15	2500	68.15	10:34:59	2500
		10:35:20	68.1	2500	BARPP2493N	PRAGNESH	10:35:20	68.1	2500	68.1	10:35:20	2500
		10:35:42	68.15	2500	BARPP2493N	PRAGNESH	10:35:42	68.15	2500	68.15	10:35:42	2500
		10:36:04	68.1	2500	BARPP2493N	PRAGNESH	10:36:04	68.1	2500	68.1	10:36:04	2500
		11:44:33	69	2500	BARPP2493N	PRAGNESH	11:44:33	69	2500	69	11:44:33	2500
		11:44:51	69	2500	BARPP2493N	PRAGNESH	11:44:51	69	2500	69	11:44:51	2500

		11:45:13	69.1	2500	BARPP2493N	PRAGNESH	11:45:13	69.1	2500	69.1	11:45:13	2500
		11:45:54	69.05	2500	BARPP2493N	PRAGNESH	11:45:54	69.05	2500	69.05	11:45:54	2500
	09/04/2010	09:19:49	65.35	3000	BDLPS2844F	SUHANI	09:19:49	65.35	3000	65.35	09:19:49	3000
		09:20:33	65.35	3000	BDLPS2844F	SUHANI	09:20:32	65.35	3000	65.35	09:20:33	3000
		10:52:58	66.1	3000	BDLPS2844F	SUHANI	10:52:52	66.1	3000	66.1	10:52:58	3000
	12/04/2010	11:17:45	60.3	2000	BARPP2493N	PRAGNESH	11:17:45	60.3	2000	60.3	11:17:45	2000
		13:03:06	60.4	3000	BARPP2493N	PRAGNESH	13:03:05	60.4	3000	60.4	13:03:06	10
		13:04:39	60.7	3000	BARPP2493N	PRAGNESH	13:04:38	60.7	3000	60.7	13:04:39	3000
		13:05:00	60.55	3000	BARPP2493N	PRAGNESH	13:05:00	60.55	3000	60.55	13:05:00	3000
	13/04/2010	13:48:38	56.8	4000	BARPP2493N	PRAGNESH	13:48:38	56.8	4000	56.8	13:48:38	4000
		14:17:23	57.15	7	AAACM8214F	MPFL	14:17:27	57.15	7	57.15	14:17:27	7
	15/04/2010	10:37:33	58.15	3000	BARPP2493N	PRAGNESH	10:37:32	58.15	3000	58.15	10:37:33	3000
	19/04/2010	13:56:07	49.6	10000	AABPM4138J	KK MODI	13:56:07	49.6	10000	49.6	13:56:07	9990
	20/04/2010	12:23:15	50.65	10000	AAACM8214F	MPFL	12:23:31	50.65	10000	50.65	12:23:31	2
	22/04/2010	13:30:33	49.75	1500	AABPM4138J	KK MODI	13:30:33	49.75	1500	49.75	13:30:33	1500
	26/04/2010	11:49:03	48.95	5000	AABPM4138J	KK MODI	11:49:02	48.95	5000	48.95	11:49:03	5000
		11:49:40	49	5000	AABPM4138J	KK MODI	11:49:40	49	5000	49	11:49:40	5000
		11:50:11	48.95	5000	AABPM4138J	KK MODI	11:50:11	48.95	5000	48.95	11:50:11	5000
		11:50:40	49	3000	AABPM4138J	KK MODI	11:50:40	49	3000	49	11:50:40	3000
	03/05/2010	13:49:33	45.75	4000	BARPP2493N	PRAGNESH	13:49:33	45.75	4000	45.75	13:49:33	4000
		14:52:55	45.55	5000	AWGPS0505G	LALIT	14:52:55	45.55	5000	45.55	14:52:55	5000
AAACM8214F (MONARCH PROJECT AND FINMARKET LTD)					**Total**							**82509**
AABPM4138J	06/04/2010	15:02:06	65.75	3000	AWGPS0505G	LALIT	15:01:57	65.75	3000	65.75	15:02:06	3000
	09/04/2010	10:34:50	65.95	1000	BDLPS2844F	SUHANI	10:34:48	65.95	1000	65.95	10:34:50	1000
		10:35:43	66.1	1000	BDLPS2844F	SUHANI	10:35:39	66.1	1000	66.1	10:35:43	1000
		10:36:19	66.15	1000	BDLPS2844F	SUHANI	10:36:18	66.15	1000	66.15	10:36:19	1000
		15:08:54	64.25	1000	AWGPS0505G	LALIT	15:08:53	64.25	1000	64.25	15:08:54	1000
	13/04/2010	15:27:52	56.85	1500	ABYPL5448E	AFJAL	15:27:52	56.85	1500	56.85	15:27:52	1471
	15/04/2010	12:57:10	57.7	10	ABYPL5448E	AFJAL	12:57:26	57.7	10	57.7	12:57:26	10
	16/04/2010	12:44:51	52.85	1000	AABPM4138J	KK MODI	12:44:53	52.85	1000	52.85	12:44:53	1000
		12:45:30	52.85	1000	AABPM4138J	KK MODI	12:45:29	52.85	1000	52.85	12:45:30	1000
		12:49:18	52.8	1000	AABPM4138J	KK MODI	12:49:19	52.8	1000	52.8	12:49:19	1000
		12:49:37	52.75	1000	AABPM4138J	KK MODI	12:49:37	52.75	1000	52.75	12:49:37	1000
		12:51:12	52.8	1000	ADGPS0714A	AMITKUMAR	12:51:12	52.8	1000	52.8	12:51:12	1000
		12:59:41	52.75	1000	ABYPL5448E	AFJAL	12:59:42	52.75	1000	52.75	12:59:42	1000
		13:03:46	52.8	500	AABPM4138J	KK MODI	13:03:46	52.8	500	52.8	13:03:46	500
		13:03:58	52.8	500	AABPM4138J	KK MODI	13:03:59	52.8	500	52.8	13:03:59	500
		13:06:38	52.75	1500	ABYPL5448E	AFJAL	13:06:38	52.75	1500	52.75	13:06:38	1500
		13:45:25	52.3	5	AAACM8214F	MPFL	13:45:17	52.3	5	52.3	13:45:28	5
	19/04/2010	09:56:36	51.15	1000	AABPM4138J	KK MODI	09:56:57	51.15	1000	51.15	09:56:57	500
		13:56:25	49.6	10000	AAACM8214F	MPFL	13:56:25	49.6	10000	49.6	13:56:25	9990
					AABPM4138J	KK MODI	13:56:07	49.6	10000	49.6	13:56:25	10

		14:44:50	49.45	2000	AWGPS0505G	LALIT	14:44:50	49.45	2000	49.45	14:44:50	2000
		14:45:35	49.4	2000	AWGPS0505G	LALIT	14:45:35	49.4	2000	49.4	14:45:35	2000
		14:46:05	49.45	1000	AWGPS0505G	LALIT	14:46:05	49.45	1000	49.45	14:46:05	1000
		15:26:42	49.3	1000	ADGPS0714A	AMITKUMAR	15:26:42	49.3	1000	49.3	15:26:42	895
	20/04/2010	09:26:04	49.6	2000	AABPM4138J	KK MODI	09:26:45	49.6	2000	49.6	09:26:45	800
		09:29:56	49.75	800	AABPM4138J	KK MODI	09:29:57	49.75	800	49.75	09:29:57	800
		10:18:20	50.45	2000	AABPM4138J	KK MODI	10:18:21	50.45	2000	50.45	10:18:21	2000
		10:26:19	50.6	2000	AABPM4138J	KK MODI	10:26:21	50.6	2000	50.6	10:26:21	2000
		11:29:13	50.65	2000	ADGPS0714A	AMITKUMAR	11:29:15	50.65	2000	50.65	11:29:15	1999
		15:17:08	50.35	500	AABPM4138J	KK MODI	15:17:09	50.35	500	50.35	15:17:09	500
		15:17:21	50.3	500	AABPM4138J	KK MODI	15:17:21	50.3	500	50.3	15:17:21	500
	22/04/2010	13:30:43	49.8	1500	AAACM8214F	MPFL	13:30:43	49.8	1500	49.8	13:30:43	1500
	23/04/2010	10:20:28	51.15	2000	AABPM4138J	KK MODI	10:20:28	51.15	2000	51.15	10:20:28	2000
		10:46:29	51.35	2000	AABPM4138J	KK MODI	10:46:29	51.35	2000	51.35	10:46:29	2000
	26/04/2010	09:27:16	50.9	2000	BDLPS2844F	SUHANI	09:27:16	50.9	2000	50.9	09:27:16	2000
		11:41:04	48.95	5000	AWGPS0505G	LALIT	11:41:04	48.95	5000	48.95	11:41:04	5000
		11:49:20	49.05	5000	AAACM8214F	MPFL	11:49:20	49.05	5000	49.05	11:49:20	5000
		11:49:49	49.05	5000	AAACM8214F	MPFL	11:49:49	49.05	5000	49.05	11:49:49	5000
		11:50:22	49	5000	AAACM8214F	MPFL	11:50:21	49	5000	49	11:50:22	5000
		11:50:56	49	3000	AAACM8214F	MPFL	11:50:57	49	3000	49	11:50:57	3000
	27/04/2010	10:01:02	47.95	1950	ABYPL5448E	AFJAL	10:01:02	47.95	1950	47.95	10:01:02	1950
		10:04:35	48.2	2000	ABYPL5448E	AFJAL	10:04:36	48.2	2000	48.2	10:04:36	2000
	29/04/2010	10:18:51	48.25	3000	BARPP2493N	PRAGNESH	10:18:52	48.25	3000	48.25	10:18:52	3000
		10:19:13	48.3	3000	BARPP2493N	PRAGNESH	10:19:14	48.3	3000	48.3	10:19:14	2999
		10:21:00	48.3	3000	BARPP2493N	PRAGNESH	10:21:01	48.3	3000	48.3	10:21:01	3000
		10:21:34	48.25	3000	BARPP2493N	PRAGNESH	10:21:35	48.25	3000	48.25	10:21:35	3000
		10:25:16	48.25	3000	BARPP2493N	PRAGNESH	10:25:17	48.25	3000	48.25	10:25:17	3000
		10:26:08	48.3	2000	BARPP2493N	PRAGNESH	10:26:09	48.3	2000	48.3	10:26:09	2000
		15:14:36	47.75	2000	ABYPL5448E	AFJAL	15:14:37	47.75	2000	47.75	15:14:37	2000
		15:16:13	47.7	2000	ABYPL5448E	AFJAL	15:16:13	47.7	2000	47.7	15:16:13	2000
	30/04/2010	11:52:12	48.35	3000	AABPM4138J	KK MODI	11:52:11	48.35	3000	48.35	11:52:12	3000
		11:52:25	48.4	3000	AABPM4138J	KK MODI	11:52:26	48.4	3000	48.4	11:52:26	3000
		11:55:23	48.4	3000	AABPM4138J	KK MODI	11:55:04	48.4	3000	48.4	11:55:23	3000
		11:57:32	48.35	3000	AABPM4138J	KK MODI	11:57:33	48.35	3000	48.35	11:57:33	3000
		15:03:44	48.35	2000	ADGPS0714A	AMITKUMAR	15:03:44	48.35	2000	48.35	15:03:44	2000
		15:04:03	48.35	2000	ADGPS0714A	AMITKUMAR	15:04:23	48.35	2000	48.35	15:04:23	1999
		15:07:03	48.35	2000	ADGPS0714A	AMITKUMAR	15:07:04	48.35	2000	48.35	15:07:04	2000
		15:10:33	48.3	2500	AABPM4138J	KK MODI	15:10:38	48.3	2500	48.3	15:10:38	2500
		15:10:53	48.25	2500	AABPM4138J	KK MODI	15:10:52	48.25	2500	48.25	15:10:53	2500
	03/05/2010	14:57:13	45.55	1500	AABPM4138J	KK MODI	14:57:24	45.55	1500	45.55	14:57:24	1
		15:06:21	45.55	1500	ANIPP1645B	ASARAF	15:06:21	45.55	1500	45.55	15:06:21	1500
AABPM4138J(KRISHNAKUMAR RAMCHANDRA MODI)					**Total**							**121929**

ABYPL5448E	05/04/2010	14:18:18	64.9	1705	ANIPP1645B	ASARAF	14:18:22	64.9	1705	64.9	14:18:22	1655
		15:15:44	64.6	3000	BDLPS2844F	SUHANI	15:15:45	64.6	3000	64.6	15:15:45	3000
		15:20:49	64.65	78	ABYPL5448E	AFJAL	15:20:32	64.65	78	64.65	15:20:49	78
	06/04/2010	12:15:15	65.75	150	ANIPP1645B	ASARAF	12:14:53	65.75	150	65.75	12:15:15	150
	09/04/2010	14:23:58	64.15	340	AWGPS0505G	LALIT	14:23:31	64.15	340	64.15	14:23:58	225
	12/04/2010	15:00:59	60.55	1500	BDLPS2844F	SUHANI	15:00:59	60.55	1500	60.55	15:00:59	1500
		15:13:25	60.4	450	AWGPS0505G	LALIT	15:13:59	60.4	450	60.4	15:14:28	450
		15:17:25	60.3	3000	ADGPS0714A	AMITKUMAR	15:17:24	60.3	3000	60.3	15:17:25	2030
	13/04/2010	11:57:38	57.15	5000	AABPM4138J	KK MODI	11:57:39	57.15	5000	57.15	11:57:39	5000
		15:29:48	56.8	1500	AABPM4138J	KK MODI	15:29:45	56.8	1500	56.8	15:29:48	1500
	15/04/2010	12:56:33	57.7	10	AABPM4138J	KK MODI	12:56:29	57.7	10	57.7	12:56:33	10
		12:57:09	57.7	3000	BDLPS2844F	SUHANI	12:57:07	57.7	3000	57.7	12:57:09	10
		14:35:09	57.2	2802	AWGPS0505G	LALIT	14:35:07	57.2	2802	57.2	14:35:09	2802
		14:36:39	57.2	2953	AWGPS0505G	LALIT	14:36:38	57.2	2953	57.2	14:36:39	2953
	20/04/2010	10:58:00	50.65	2999	BARPP2493N	PRAGNESH	10:58:01	50.65	2999	50.65	10:58:01	2999
	21/04/2010	11:44:03	50.85	3000	BARPP2493N	PRAGNESH	11:44:03	50.85	3000	50.85	11:44:03	2998
	23/04/2010	13:05:52	51.35	2000	BARPP2493N	PRAGNESH	13:05:48	51.35	2000	51.35	13:05:52	2000
		15:23:30	51.1	3000	ADGPS0714A	AMITKUMAR	15:23:30	51.1	3000	51.1	15:23:30	3000
		15:23:57	51.05	3000	BDLPS2844F	SUHANI	15:23:57	51.05	3000	51.05	15:23:57	3000
		15:29:38	51.45	3000	BARPP2493N	PRAGNESH	15:29:37	51.45	3000	51.45	15:29:38	2750
	26/04/2010	10:26:48	50.1	3000	AABPM4138J	KK MODI	10:26:46	50.1	3000	50.1	10:26:48	3000
	27/04/2010	10:00:16	47.85	2000	AABPM4138J	KK MODI	10:00:15	47.85	2000	47.85	10:00:16	1950
		10:04:05	48.05	2000	AABPM4138J	KK MODI	10:04:05	48.05	2000	48.05	10:04:05	2000
	28/04/2010	13:53:21	47.4	3000	BARPP2493N	PRAGNESH	13:53:21	47.4	3000	47.4	13:53:21	3000
	29/04/2010	13:31:37	47.8	3000	AABPM4138J	KK MODI	13:31:37	47.8	3000	47.8	13:31:37	3000
		15:12:47	47.65	2000	AABPM4138J	KK MODI	15:12:48	47.65	2000	47.65	15:12:48	1955
ABYPL5448E (LAKHANI AFJALKASAMBHAI)					**Total**							**53015**
ADGPS0714A	05/04/2010	10:58:26	65.4	3000	ABYPL5448E	AFJAL	10:58:26	65.4	3000	65.4	10:58:26	3000
		12:19:18	64.9	3000	ABYPL5448E	AFJAL	12:19:18	64.9	3000	64.9	12:19:18	3000
	06/04/2010	15:22:16	66.05	3000	BDLPS2844F	SUHANI	15:22:15	66.05	3000	66.05	15:22:16	3000
	12/04/2010	15:16:12	60.35	3000	ABYPL5448E	AFJAL	15:16:13	60.35	3000	60.35	15:16:13	3000
		15:16:31	60.35	3000	ABYPL5448E	AFJAL	15:16:33	60.35	3000	60.35	15:16:33	2070
	16/04/2010	09:44:03	55.6	2500	BDLPS2844F	SUHANI	09:43:57	55.6	2500	55.6	09:44:03	2500
		11:35:27	52.9	500	AABPM4138J	KK MODI	11:35:25	52.9	500	52.9	11:35:27	500
		12:51:52	52.75	1000	AABPM4138J	KK MODI	12:51:51	52.75	1000	52.75	12:51:52	1000
	19/04/2010	11:48:50	49.55	2000	AABPM4138J	KK MODI	11:48:39	49.55	2000	49.55	11:48:50	2000
		15:26:16	49.2	1000	AABPM4138J	KK MODI	15:26:26	49.2	1000	49.2	15:26:26	1000
	23/04/2010	15:23:22	51.05	3000	ABYPL5448E	AFJAL	15:23:22	51.05	3000	51.05	15:23:22	3000
	27/04/2010	09:46:30	48.45	3000	AABPM4138J	KK MODI	09:46:29	48.45	3000	48.45	09:46:30	3000
ADGPS0714A(AMITKUMAR AMRUTLAL SHAH)					**Total**							**27070**
ANIPP1645B	05/04/2010	09:04:13	65.15	1000	BDLPS2844F	SUHANI	09:04:13	65.15	1000	65.15	09:04:48	900
		09:05:43	65.15	1000	BDLPS2844F	SUHANI	09:05:44	65.15	1000	65.15	09:05:44	1000

		09:09:14	65.6	1000	BDLPS2844F	SUHANI	09:09:14	65.6	1000	65.6	09:09:14	1000
		09:26:43	65.7	2000	BDLPS2844F	SUHANI	09:26:32	65.7	2000	65.7	09:26:43	2000
	06/04/2010	09:29:44	64.7	3000	AAACM8214F	MPFL	09:29:45	64.7	3000	64.7	09:29:45	3000
		09:52:31	64.75	3000	AAACM8214F	MPFL	09:52:32	64.75	3000	64.75	09:52:32	3000
		10:16:51	64.7	300	BDLPS2844F	SUHANI	10:16:51	64.7	300	64.7	10:16:51	300
	03/05/2010	12:19:51	45.75	300	AABPM4138J	KK MODI	12:19:48	45.75	300	45.75	12:19:51	300
		13:09:47	45.65	100	AABPM4138J	KK MODI	13:09:47	45.65	100	45.65	13:09:47	100
		14:59:36	45.55	1500	AABPM4138J	KK MODI	14:59:37	45.55	1500	45.55	14:59:37	1500
ANIPP1645B(ASARAFBHAI MAJIDBHAI PANCHA)					**Total**							**13100**
AWGPS0505G	08/04/2010	09:51:42	68.4	3000	AAACM8214F	MPFL	09:51:42	68.4	3000	68.4	09:51:42	3000
	09/04/2010	15:03:26	64.15	3000	AABPM4138J	KK MODI	15:03:27	64.15	3000	64.15	15:03:27	3000
		15:04:16	64.1	3000	AABPM4138J	KK MODI	15:04:16	64.1	3000	64.1	15:04:16	3000
		15:08:43	64.25	1000	AABPM4138J	KK MODI	15:08:45	64.25	1000	64.25	15:08:45	1000
	12/04/2010	14:54:16	60.3	500	AABPM4138J	KK MODI	14:54:18	60.3	500	60.3	14:54:18	495
		15:01:30	60.55	1500	ABYPL5448E	AFJAL	15:01:31	60.55	1500	60.55	15:01:31	1021
		15:25:43	60.45	2000	AWGPS0505G	LALIT	15:25:32	60.45	2000	60.45	15:25:43	1
	19/04/2010	14:44:26	49.4	2000	AABPM4138J	KK MODI	14:44:26	49.4	2000	49.4	14:44:26	2000
		14:45:19	49.45	2000	AABPM4138J	KK MODI	14:45:19	49.45	2000	49.45	14:45:19	2000
		14:45:57	49.4	1000	AABPM4138J	KK MODI	14:45:57	49.4	1000	49.4	14:45:57	1000
	26/04/2010	11:40:44	48.95	5000	AABPM4138J	KK MODI	11:40:45	48.95	5000	48.95	11:40:45	5000
	28/04/2010	14:02:45	47.6	3000	BARPP2493N	PRAGNESH	14:02:47	47.6	3000	47.6	14:02:47	3000
		14:16:14	47.45	3000	BARPP2493N	PRAGNESH	14:16:15	47.45	3000	47.45	14:16:15	3000
	29/04/2010	14:57:46	47.75	2000	BARPP2493N	PRAGNESH	14:57:46	47.75	2000	47.75	14:57:46	2000
		14:58:12	47.8	2000	BARPP2493N	PRAGNESH	14:58:12	47.8	2000	47.8	14:58:12	2000
		14:58:51	47.8	2000	BARPP2493N	PRAGNESH	14:58:51	47.8	2000	47.8	14:58:51	2000
		14:59:16	47.8	2000	BARPP2493N	PRAGNESH	14:59:16	47.8	2000	47.8	14:59:16	2000
		14:59:50	47.6	2000	BARPP2493N	PRAGNESH	14:59:51	47.6	2000	47.6	14:59:51	2000
	03/05/2010	14:21:58	45.5	5000	ADGPS0714A	AMITKUMAR	14:21:59	45.5	5000	45.5	14:21:59	5000
		14:22:38	45.45	5000	ADGPS0714A	AMITKUMAR	14:22:38	45.45	5000	45.45	14:22:38	5000
		14:52:30	45.55	5000	AAACM8214F	MPFL	14:52:29	45.55	5000	45.55	14:52:30	5000
		14:53:11	45.55	5000	AAACM8214F	MPFL	14:53:11	45.55	5000	45.55	14:53:11	5000
AWGPS0505G(LALIT AMRITLAL SHAH)					**Total**							**57517**
BARPP2493N	08/04/2010	10:34:51	68.1	2500	AAACM8214F	MPFL	10:34:51	68.1	2500	68.1	10:34:51	2500
		10:35:11	68.15	2500	AAACM8214F	MPFL	10:35:12	68.15	2500	68.15	10:35:12	2500
		10:35:33	68.1	2500	AAACM8214F	MPFL	10:35:33	68.1	2500	68.1	10:35:33	2500
		10:35:56	68.15	2500	AAACM8214F	MPFL	10:35:55	68.15	2500	68.15	10:35:56	2500
		11:44:21	69	2500	AAACM8214F	MPFL	11:44:21	69	2500	69	11:44:21	2500
		11:44:43	69.05	2500	AAACM8214F	MPFL	11:44:43	69.05	2500	69.05	11:44:43	2500
		11:45:06	69.2	2500	AAACM8214F	MPFL	11:45:05	69.2	2500	69.2	11:45:06	2500
		11:45:42	69	2500	AAACM8214F	MPFL	11:45:45	69	2500	69	11:45:45	2500
	12/04/2010	11:17:33	60.35	2000	AAACM8214F	MPFL	11:17:32	60.35	2000	60.35	11:17:33	2000
		11:18:12	60.4	3000	AAACM8214F	MPFL	11:18:12	60.4	3000	60.4	11:18:12	3000

		13:04:28	60.65	3000	AAACM8214F	MPFL	13:04:28	60.65	3000	60.65	13:04:28	3000
		13:04:50	60.5	3000	AAACM8214F	MPFL	13:04:50	60.5	3000	60.5	13:04:50	3000
	15/04/2010	10:25:58	59.15	3000	AAACM8214F	MPFL	10:25:58	59.15	3000	59.15	10:25:58	3000
	20/04/2010	14:25:08	50.3	1	BARPP2493N	PRAGNESH	14:25:29	50.3	1	50.3	14:25:29	1
	22/04/2010	13:13:18	49.65	3000	ABYPL5448E	AFJAL	13:13:18	49.65	3000	49.65	13:13:18	2901
	23/04/2010	15:29:32	51.45	3000	ABYPL5448E	AFJAL	15:29:33	51.45	3000	51.45	15:29:33	3000
	26/04/2010	15:04:11	48.2	2000	BDLPS2844F	SUHANI	15:04:11	48.2	2000	48.2	15:04:11	2000
		15:05:19	48.2	2000	BDLPS2844F	SUHANI	15:05:19	48.2	2000	48.2	15:05:19	2000
	27/04/2010	13:31:54	47.55	4000	AAACM8214F	MPFL	13:31:54	47.55	4000	47.55	13:31:54	3896
	29/04/2010	10:18:40	48.3	3000	AABPM4138J	KK MODI	10:18:39	48.3	3000	48.3	10:18:40	3000
		10:19:05	48.25	3000	AABPM4138J	KK MODI	10:19:04	48.25	3000	48.25	10:19:05	3000
		10:20:53	48.25	3000	AABPM4138J	KK MODI	10:20:53	48.25	3000	48.25	10:20:53	3000
		10:21:18	48.25	3000	AABPM4138J	KK MODI	10:21:17	48.25	3000	48.25	10:21:18	3000
		10:23:57	48.3	3000	AABPM4138J	KK MODI	10:23:57	48.3	3000	48.3	10:23:57	3000
		10:25:59	48.25	2000	AABPM4138J	KK MODI	10:25:58	48.25	2000	48.25	10:25:59	2000
		14:57:58	47.8	2000	AWGPS0505G	LALIT	14:57:57	47.8	2000	47.8	14:57:58	2000
		14:58:30	47.75	2000	AWGPS0505G	LALIT	14:58:30	47.75	2000	47.75	14:58:30	2000
		14:59:01	47.75	2000	AWGPS0505G	LALIT	14:59:01	47.75	2000	47.75	14:59:01	2000
		14:59:24	47.75	2000	AWGPS0505G	LALIT	14:59:24	47.75	2000	47.75	14:59:24	2000
		15:00:03	47.65	2000	AWGPS0505G	LALIT	15:00:02	47.65	2000	47.65	15:00:03	2000
	03/05/2010	13:49:25	45.8	4000	AAACM8214F	MPFL	13:49:25	45.8	4000	45.8	13:49:25	4000
		14:25:59	45.5	1000	AAACM8214F	MPFL	14:25:59	45.5	1000	45.5	14:25:59	1000
BARPP2493N(PRAGNESH VISHNUBHAI PATEL)					**Total**							**79798**
BDLPS2844F	05/04/2010	09:05:03	65.2	1000	ANIPP1645B	ASARAF	09:05:02	65.2	1000	65.2	09:05:03	1000
		09:05:54	65.25	1000	ANIPP1645B	ASARAF	09:05:53	65.25	1000	65.25	09:05:54	1000
		11:24:25	65.15	3000	ABYPL5448E	AFJAL	11:24:26	65.15	3000	65.15	11:24:26	3000
		11:53:48	64.9	3000	ADGPS0714A	AMITKUMAR	11:53:41	64.9	3000	64.9	11:53:48	3000
		15:17:41	64.7	3000	ABYPL5448E	AFJAL	15:17:41	64.7	3000	64.7	15:17:41	3000
	06/04/2010	09:27:48	64.7	3000	ANIPP1645B	ASARAF	09:27:48	64.7	3000	64.7	09:27:48	3000
		15:00:27	65.65	251	ADGPS0714A	AMITKUMAR	15:00:28	65.65	251	65.65	15:00:28	251
		15:21:03	66	3000	ADGPS0714A	AMITKUMAR	15:21:04	66	3000	66	15:21:04	2928
	09/04/2010	10:34:30	65.95	1000	AABPM4138J	KK MODI	10:34:31	65.95	1000	65.95	10:34:31	1000
		10:35:04	65.95	1000	AABPM4138J	KK MODI	10:35:05	65.95	1000	65.95	10:35:05	1000
		10:36:06	66.1	1000	AABPM4138J	KK MODI	10:36:06	66.1	1000	66.1	10:36:06	1000
	13/04/2010	09:20:27	60.3	500	ADGPS0714A	AMITKUMAR	09:20:27	60.3	500	60.3	09:20:27	500
		14:53:27	57	3000	AWGPS0505G	LALIT	14:53:27	57	3000	57	14:53:27	3000
	19/04/2010	13:40:56	49.6	1950	AABPM4138J	KK MODI	13:40:57	49.6	1950	49.6	13:40:57	1950
	23/04/2010	15:23:49	51.1	3000	ABYPL5448E	AFJAL	15:23:49	51.1	3000	51.1	15:23:49	3000
	26/04/2010	09:26:58	50.7	2000	AABPM4138J	KK MODI	09:26:59	50.7	2000	50.7	09:26:59	2000
		15:04:23	48.25	2000	BARPP2493N	PRAGNESH	15:04:18	48.25	2000	48.25	15:04:23	2000
	29/04/2010	09:06:22	47.2	800	ADGPS0714A	AMITKUMAR	09:06:23	47.2	800	47.2	09:06:23	800
BDLPS2844F(SUHANI LALIT SHAH)					**Total**							**33429**

Grand Total	**468367**

65. From the trading details on BSE, out of the total trades executed among the BSE Group as given above, some trades among the group that traded on BSE were found to be synchronized. The synchronized trade among the aforesaid BSE Group was 1,22,592 shares i.e. 4.17% of the BSE Group traded quantity and 2.20% to the market volume during the investigation period. The details of **synchronized trades amongst the BSE Group on BSE** are placed below:

PANNO / Name	DATE	ORDER TIME	Buy Order Price	Buy Order Qty	CP PANNO	CP CLIENT NAME	CP ORDER TIME	CP Order Price	CP Order Qty	RATE	TRADE TIME	Total
AABPM4138J	06/04/2010	15:06:17	65.85	3000	AWGPS0505G	LALIT SHAH	15:06:16	65.85	3000	65.85	15.06.17	2989
KRISHNAKUMAR		15:11:40	65.7	1250	AWGPS0505G	LALIT SHAH	15:11:40	65.7	1250	65.7	15.11.40	1250
	12/04/2010	13:15:12	60.5	3000	AACCK5762C	MRBPL	13:15:12	60.5	3000	60.5	13.15.12	3000
	13/04/2010	15:26:12	57	1500	ABYPL5448E	AFJALBHAI	15:26:12	57	1500	57	15.26.12	1500
												8739
AACCK5762C	05/04/2010	14:21:50	64.6	23	AACCK5762C	MRBPL	14:21:48	64.6	23	64.6	14.21.50	23
MRBPL	07/04/2010	11:20:05	66.7	3000	ABYPL5448E	AFJALBHAI	11:20:10	66.7	3000	66.7	11.20.10	3000
	08/04/2010	10:33:07	68.15	2500	BARPP2493N	PRAGNESH PATEL	10:33:06	68.15	2500	68.15	10.33.07	2500
		10:33:49	68.15	2500	BARPP2493N	PRAGNESH PATEL	10:33:49	68.15	2500	68.15	10.33.49	2500
		10:34:10	68.1	2500	BARPP2493N	PRAGNESH PATEL	10:34:09	68.1	2500	68.1	10.34.10	2500
		10:34:37	68.1	2500	BARPP2493N	PRAGNESH PATEL	10:34:36	68.1	2500	68.1	10.34.37	2500
	12/04/2010	14:00:23	59.2	2980	BARPP2493N	PRAGNESH PATEL	14:00:24	59.2	2980	59.2	14.00.24	2980
		14:19:58	58.65	2500	BARPP2493N	PRAGNESH PATEL	14:19:58	58.65	2500	58.65	14.19.59	2500
	13/04/2010	12:35:26	56.5	2980	BARPP2493N	PRAGNESH PATEL	12:35:25	56.5	2980	56.5	12.35.26	2980
	16/04/2010	13:11:46	52.65	100	BDLPS2844F	SUHANI SHAH	13:11:50	52.65	100	52.65	13.11.50	100
	30/04/2010	13:56:0	47.9	100	AABPM4138J	KK MODI	13:56:16	47.9	100	47.9	13.56.16	100
	03/05/2010	13:51:03	45.7	4000	BARPP2493N	PRAGNESH PATEL	13:51:03	45.7	4000	45.7	13.51.03	4000
		14:04:22	45.75	1000	BARPP2493N	PRAGNESH PATEL	14:04:26	45.75	1000	45.75	14.04.26	1000
		14:31:38	45.85	6000	AWGPS0505G	LALIT SHAH	14:31:38	45.85	6000	45.85	14.31.39	6000
												32683
ABYPL5448E	05/04/2010	15:19:16	64.4	3000	BDLPS2844F	SUHANI SHAH	15:19:16	64.4	3000	64.4	15.19.16	3000
AFJALBHAI	09/04/2010	10:19:55	65.8	1800	AWGPS0505G	LALIT SHAH	10:20:03	65.8	1800	65.8	10.20.03	1800
	13/04/2010	15:26:52	56.95	1500	AABPM4138J	KK MODI	15:26:52	56.95	1500	56.95	15.26.52	1500
	19/04/2010	12:00:39	49.3	1	BARPP2493N	PRAGNESH PATEL	12:00:42	49.3	1	49.3	12.00.42	1
	23/04/2010	15:11:13	51.1	1000	AWGPS0505G	LALIT SHAH	15:11:01	51.1	1000	51.1	15.11.13	1000
												7301
ADGPS0714A	23/04/2010	14:52:10	50.85	2500	BDLPS2844F	SUHANI SHAH	14:52:10	50.85	2500	50.85	14.52.10	2500
AMITKUMAR		14:53:14	50.85	2500	BARPP2493N	PRAGNESH PATEL	14:53:15	50.85	2500	50.85	14.53.15	2500
	29/04/2010	12:11:35	48	5000	AACCK5762C	MRBPL	12:11:34	48	5000	48	12.11.35	5000

												10000
ANIPP1645B	05/04/2010	09:02:07	64	9	BDLPS2844F	SUHANI SHAH	09:02:01	64	9	64	09.02.07	9
ASARAFBHAI		09:02:43	64.5	1000	BDLPS2844F	SUHANI SHAH	09:02:43	64.5	1000	64.5	09.02.44	500
		09:06:12	65.5	1000	BDLPS2844F	SUHANI SHAH	09:06:12	65.5	1000	65.5	09.06.13	1000
		09:08:09	65.5	1000	BDLPS2844F	SUHANI SHAH	09:08:10	65.5	1000	65.5	09.08.10	1000
		09:08:30	65.55	1000	BDLPS2844F	SUHANI SHAH	09:08:32	65.55	1000	65.55	09.08.32	1000
	06/04/2010	14:21:31	66	3000	ABYPL5448E	AFJALBHAI	14:21:31	66	3000	66	14.21.31	3000
												6509
AWGPS0505G	06/04/2010	10:43:01	64	250	ADGPS0714A	AMITKUMAR SHAH	10:43:02	64	250	64	10.43.03	250
LALIT	08/04/2010	13:31:31	68.4	3000	ABYPL5448E	AFJALBHAI	13:32:03	68.4	3000	68.4	13.32.03	3000
	23/04/2010	15:10:45	51.15	1000	ABYPL5448E	AFJALBHAI	15:10:45	51.15	1000	51.15	15.10.45	1000
	28/04/2010	13:56:52	47.5	3000	BARPP2493N	PRAGNESH PATEL	13:56:53	47.5	3000	47.5	13.56.53	3000
	29/04/2010	15:00:27	47.75	2000	BARPP2493N	PRAGNESH PATEL	15:00:27	47.75	2000	47.75	15.00.28	2000
		15:02:02	47.8	2000	BARPP2493N	PRAGNESH PATEL	15:02:02	47.8	2000	47.8	15.02.02	2000
		15:02:26	47.8	2000	BARPP2493N	PRAGNESH PATEL	15:02:26	47.8	2000	47.8	15.02.26	2000
	03/05/2010	14:33:12	45.8	4000	AACCK5762C	MRBPL	14:33:11	45.8	4000	45.8	14.33.12	4000
		14:31:25	45.8	6000	AACCK5762C	MRBPL	14:31:26	45.8	6000	45.8	14.31.26	6000
												23250
BARPP2493N	08/04/2010	10:32:31	68.1	2500	AACCK5762C	MRBPL	10:32:32	68.1	2500	68.1	10.32.32	2500
PRAGNESH		10:33:40	68.1	2500	AACCK5762C	MRBPL	10:33:40	68.1	2500	68.1	10.33.40	2500
		10:34:01	68.15	2500	AACCK5762C	MRBPL	10:34:01	68.15	2500	68.15	10.34.01	2500
		10:34:22	68.15	2500	AACCK5762C	MRBPL	10:34:23	68.15	2500	68.15	10.34.23	2500
	12/04/2010	14:20:37	58.75	2500	AACCK5762C	MRBPL	14:20:38	58.75	2500	58.75	14.20.38	2500
	16/04/2010	12:38:30	52.8	3000	AACCK5762C	MRBPL	12:38:32	52.8	3000	52.8	12.38.32	3000
	23/04/2010	14:46:20	50.8	2500	BARPP2493N	PRAGNESH PATEL	14:46:11	50.8	2500	50.8	14.46.20	10
		14:47:11	50.75	2500	ABYPL5448E	AFJALBHAI	14:47:11	50.75	2500	50.75	14.47.11	2500
	28/04/2010	14:40:37	47.4	1000	BDLPS2844F	SUHANI SHAH	14:40:37	47.4	1000	47.4	14.40.37	1000
	29/04/2010	15:01:28	47.7	2000	AWGPS0505G	LALIT SHAH	15:01:27	47.7	2000	47.7	15.01.28	2000
		15:02:11	47.75	2000	AWGPS0505G	LALIT SHAH	15:02:10	47.75	2000	47.75	15.02.11	2000
		15:02:35	47.75	2000	AWGPS0505G	LALIT SHAH	15:02:34	47.75	2000	47.75	15.02.35	2000
		15:02:57	47.75	2000	AWGPS0505G	LALIT SHAH	15:02:57	47.75	2000	47.75	15.02.57	2000
	03/05/2010	14:04:15	45.7	1000	AACCK5762C	MRBPL	14:04:15	45.7	1000	45.7	14.04.15	1000
												28010
BDLPS2844F	05/04/2010	09:08:41	65.6	1000	ANIPP1645B	ASARAFBHAI	09:08:40	65.6	1000	65.6	09.08.41	1000
SUHANI		09:08:18	65.6	1000	ANIPP1645B	ASARAFBHAI	09:08:18	65.6	1000	65.6	09.08.18	1000
		09:06:30	65.85	1000	ANIPP1645B	ASARAFBHAI	09:06:29	65.85	1000	65.85	09.06.30	1000
	12/04/2010	09:17:31	60.95	100	AABPM4138J	KK MODI	09:17:30	60.95	100	60.95	09.17.31	100
	28/04/2010	14:39:14	47.35	2000	BARPP2493N	PRAGNESH PATEL	14:39:15	47.35	2000	47.35	14.39.15	2000
		14:40:59	47.35	1000	BARPP2493N	PRAGNESH PATEL	14:40:59	47.35	1000	47.35	14.40.59	1000
												6100
										Grand Total		**122592**

Self Trades in the scrip by Group of Noticees:

66. From the details as given at para 51 above of the trading among the Group of Noticees, it is noted that on NSE two Noticees (viz. (Late) Shri Krishnakumar Modi and Afjalbhai Kasambhai Lakhani) of the group entered into self trades, i.e trades where the same Noticee was there on both buy and sell side. I note that Afjalbhai Kasambhai Lakhani 20,083 shares on NSE respectively which is 0.18% respectively of the total volume in the scrip on NSE during the investigation period. On BSE also the same Noticee, viz. Afjalbhai Kasambhai Lakhani entered into self trades for 16,010 shares which is 0.28% of the total volume in the scrip on BSE during the investigation period.

67. As noted above, Afjalbhai executed self trades for 20,083 shares on NSE. The details of the same are as follows:

Self trades of Afjalbhai on NSE

BATCH DATE	NAME	BORD TIME	BORD LIMIT PR	BORD ORIG VOL	SORD TIME	SORD LIMIT PR	SORD ORIG VOL	TRD PRICE	TRADE TIME	Total
05/04/2010	AFJALBHAI	11:10:35 AM	65.15	2000	11:10:36 AM	65.15	1999	65.15	11:10:36 AM	1999
					11:10:38 AM	65.05	1	65.15	11:10:38 AM	1
		11:11:06 AM	65.2	2000	11:11:07 AM	65.2	1999	65.2	11:11:07 AM	1999
					11:11:08 AM	65.05	1	65.2	11:11:08 AM	1
		11:12:49 AM	65.2	2000	11:12:50 AM	65.2	1990	65.2	11:12:50 AM	1990
					11:12:53 AM	65.05	10	65.2	11:12:53 AM	10
		11:13:44 AM	65.1	2000	11:13:45 AM	65.1	1999	65.1	11:13:45 AM	1999
					11:13:46 AM	65	1	65.1	11:13:46 AM	1
		11:14:09 AM	65.15	2000	11:14:10 AM	65.15	1999	65.15	11:14:10 AM	1999
					11:14:11 AM	65	1	65.15	11:14:11 AM	1
	AFJALBHAI	11:10:46 AM	65.2	1999	11:10:46 AM	65.2	2000	65.2	11:10:46 AM	1999
		11:10:48 AM	65.45	1	11:10:46 AM	65.2	2000	65.2	11:10:48 AM	1
		11:11:18 AM	65.15	1999	11:11:17 AM	65.15	2000	65.15	11:11:18 AM	1999
		11:11:20 AM	65.45	1	11:11:17 AM	65.15	2000	65.15	11:11:20 AM	1
		11:13:05 AM	65.25	1999	11:13:05 AM	65.25	2000	65.25	11:13:05 AM	1949
		11:13:07 AM	65.45	1	11:13:05 AM	65.25	2000	65.25	11:13:07 AM	1
		11:13:23 AM	65.25	50	11:13:05 AM	65.25	2000	65.25	11:13:23 AM	50
		11:13:56 AM	65.15	1999	11:13:55 AM	65.15	2000	65.15	11:13:56 AM	1999
		11:13:57 AM	65.35	1	11:13:55 AM	65.15	2000	65.15	11:13:57 AM	1
		11:14:19 AM	65.2	1999	11:14:18 AM	65.2	2000	65.2	11:14:19 AM	1999

		11:14:21 AM	65.35	1	11:14:18 AM	65.2	2000	65.2	11:14:21 AM	1
		11:23:14 AM	65.25	1	11:13:31 AM	65.25	50	65.25	11:23:14 AM	1
		3:20:49 PM	64.65	78	3:20:32 PM	64.65	78	64.65	3:20:49 PM	78
06/04/2010	AFJALBHAI	12:22:23 PM	65.7	999	12:22:32 PM	65.7	1	65.7	12:22:32 PM	1
08/04/2010	AFJALBHAI	12:23:17 PM	68.35	2999	12:21:44 PM	68.35	2999	68.35	12:23:17 PM	1
15/04/2010	AFJALBHAI	1:03:25 PM	57.6	2999	1:02:26 PM	57.6	1	57.6	1:03:25 PM	1
29/04/2010	AFJALBHAI	3:12:47 PM	47.65	2000	3:16:15 PM	47.65	1	47.65	3:16:15 PM	1
										20083

68. On **BSE**, Afjalbhai executed self trades for 16010 shares on BSE. Details of the same are as follows:

TRADE_DATE	**CLIENTNAME**	**ORDER_TIME**	**Buy Order Qty**	**Buy Order Price**	**CP CLIENTNAME**	**CP Order Qty**	**CP Order Price**	**CP ORDER TIME**	**RATE**	**Traded Qty**
05/04/2010	AFJALBHAI	11:57:48	2000	64.65	AFJALBHAI	1	64.6	11:57:50	64.65	1
						1999	64.65	11:57:48	64.65	1999
		11:58:20	2000	64.65	AFJALBHAI	1	64.6	11:58:21	64.65	1
						1999	64.65	11:58:20	64.65	1999
		11:58:46	2000	64.65	AFJALBHAI	1	64.6	11:58:48	64.65	1
						1999	64.65	11:58:46	64.65	1999
		11:59:08	2000	64.65	AFJALBHAI	1999	64.65	11:59:08	64.65	1999
						1	64.55	11:59:09	64.65	1
		11:58:58	1	64.75	AFJALBHAI	2000	64.7	11:58:57	64.7	1
		11:58:34	1	45	AFJALBHAI	2000	64.7	11:58:33	64.7	1
		11:58:57	1999	64.7	AFJALBHAI	2000	64.7	11:58:57	64.7	1999
		11:59:25	1999	64.6	AFJALBHAI	2000	64.6	11:59:25	64.6	1999
		11:58:07	1	64.7	AFJALBHAI	2000	64.7	11:58:05	64.7	1
		11:58:33	1999	64.7	AFJALBHAI	2000	64.7	11:58:33	64.7	1999
		11:58:06	1999	64.7	AFJALBHAI	2000	64.7	11:58:05	64.7	1999
		11:59:27	1	64.6	AFJALBHAI	2000	64.6	11:59:25	64.6	1
27/04/2010	AFJALBHAI	11:43:34	1990	48.25	AFJALBHAI	1500	73.4	11:43:35	48.25	10
	TOTAL									**16010**

69. Thus, the Noticees entered into synchronized/ self/ reversal trades as noted above. These connected entities indulged in reversal and in synchronized trades amongst themselves. These trades allegedly created artificial volume in the scrip leading to false and misleading appearance of trading of the scrip in the securities market and hence fraudulent. I will now deal with the submissions of the Noticees vis-à-vis the above allegations and facts on record.

70. I note that the Monarch Entities and the Shah Family entities have repeatedly stated that they are not connected to the other Noticees named in the SCN. In this regard, I note that the Hon'ble Securities Appellate Tribunal has, in many cases such as Classic Credit Ltd. vs. SEBI (SAT Appeal no. 68/2003, Order dated December 8, 2006), Classic Credit Ltd. vs. SEBI (SAT Appeal no. 76/ 2003, Order dated January 9, 2007) and Veronica Financial Services Ltd. Vs SEBI (SAT Order dated August 24, 2012), held that connection/relations can be established on the basis of factors including the common addresses, common directors/ shareholders, etc. In this case, it is admitted fact that Shri Lalit Shah is the husband of Ms. Suhani Shah, and that Late Mr. Amitkumar Shah was the brother of Shri Lalit Shah. Further, it is not disputed that MRBPL and MPFL are group companies. Further, from the KYC details submitted by the trading member DB (International) Stock Brokers Ltd. It was observed that *inter alia* Asarafbhai Majidbhai Pancha, Krishnakumar R Modi, Afjalbhai Kasambhai Lakhani, were introduced by Lalit Shah. Shri Lalit Shah and Ms. Suhani Shah were clients of MRBPL. Further, Pragnesh Vishnubhai Patel was also a client of DB (International) in same place (Gurgaon) and the date of registration of the entity is same as that of Krishnakumar R Modi.

71. In this regard, I also note that Shah Family and Monarch entities have emphatically stated that it is immaterial that Lalit Shah and Suhani Shah were registered as clients with MRBPL, as they have not traded through MRBPL in the scrip. However, considering the volume of trade/synchronized trades/reversal trades among the group clients, the fact that Lalit Shah and Suhani Shah were clients of MRBPL is relevant in the matter to establish connection. It has not been alleged at all that Lalit Shah and Suhani Shah traded through MRBPL. In fact, the impugned trades on MRBPL are in the nature of proprietary trades. The fact that Lalit Shah and Suhani Shah were clients of MRBPL has been brought out only to show that the entities were known to each other.

72. Further, I note that the Hon'ble SAT in the matter of *Ajmera Associates Pvt. Ltd. Vs SEBI (*Date of Order: December 13, 2010) made the following observation

"Since the trading system maintains complete anonymity, brokers always plead that they were ignorant about the counter party or his broker. In such a situation one has to look to the trading pattern <u>and if the trades match too often or if the matching of the trades is noticed day after day and trade after trade, one can infer that the matching was done not by the system but by manipulating the same.</u> Similarly, if two or more market players start trading in circles and do not allow the shares to go out of the circle, it could be reasonably inferred that both traders and their brokers are colluding to execute such artificial trades which give a misleading appearance of trading in the market without change of beneficial ownership in the traded scrip."

73. In this regard, I also refer to the Order of the Hon'ble SAT in the matter of *Mayrose Capfin Ltd. Vs. SEBI* (Order dated March 30, 2012), wherein the SAT opined as follows:

"We are of the view that ***interconnection between the parties is only one of the factors*** *which has been considered by the Board while arriving at its finding which is supported by other material collected by it during the course of investigation, more particularly the trade logs/order logs. "*
(Emphasis added)

74. The Shah Family and the Monarch Entities have also submitted that the trading platforms of the exchanges are anonymous, and it is not possible to know who the counterparty to one's trade is. However, the SAT has in many cases, including the above cited judgment *Ajmera Associates Pvt. Ltd. Vs SEBI (*Date of Order: December 13, 2010), held that while the trading platform is anonymous, with prior meeting of minds it is very much possible to manipulate the system and execute fraudulent trades. Here I note that on NSE more than 98% of the Noticees' trades were executed with counterparties from within the group, i.e., with other Noticees. The Noticees' total trades amounted to around 58% of the total market volume. Hence, it can be reasonable inferred that there were other players in the market. Despite the same, most of the Noticees' orders during the investigation period matched with

counterparties from within the group. Looking at the reversal volume, on NSE, out of the total trades within the group, more than 93% were reversal trades. A similar picture emerges from BSE, wherein the total trades of the group entities accounted for around 56% of the total market volume. However, the trades among the BSE Group entities were more than 92%. Here too, while there evidently were other players in the market, much of the Noticees' orders matched with orders of other Noticees. Looking at reversal trades, it comes to light that more than 94% of the trades within the BSE Group were in the nature of reversed trades.

75. Further, in the matter of SEBI Vs. Rakhi Trading Private Ltd (Order dated February 8, 2018), the Supreme Court, held as follows:

> *"Ordinarily, the trading would have taken place between anonymous parties and the price would have been determined by the market forces of demand and supply. In the instant case, the parties did not stop at synchronised trading. The facts go beyond that. The trade reversals in this case indicate that the parties did not intend to transfer beneficial ownership and through these orchestrated transactions, the intention of which was not regular trading, other investors have been excluded from participating in these trades.*
>
> *…*
>
> *Rather than allowing the market forces to operate in their natural course, the traders repeatedly carried out the impugned transactions which deprived other market player from full participation. The repeated reversals and predetermined arrangement to book profits and losses respectively, made it clear that the parties were not trading in the normal sense and ordinary course. Resultantly, there has clearly been a restriction on the free and fair operation of market forces in the instant case.*
>
> *…*
>
> *By synchronization and rapid reverse trade, as has been carried out by the traders in the instant case, the price discovery system itself is affected.*

Except the parties who have pre-fixed the price nobody is in the position to participate in the trade. It also has an adverse impact on the fairness, integrity and transparency of the stock market"
(Emphasis added)

The Hon'ble Supreme Court has further also stated as follows:

"Number of reversal trades between the respondent and Kasam Holding Pvt. Ltd. and such reversal trade taking place repeatedly over a period of time only indicates that there was pre-arrangement between the parties beforethe trade was executed.

…

Once the reversal transactions are shown to be non-genuine orshown to be fictitious creating a false or misleading appearance in the market for ulterior purpose and that the stock market was misused by such manipulative device, this is in clear violation of the provisions of PFUTP Regulations, 2003. Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations prohibit such manipulative trades, unfair trade practices"

76. In the matter at hand too, the Monarch Entities and the Shah Family have strenuously argued that the the trading platforms on the exchanges are anonymous, and that they could not have chosen who will be the counterparty. However, the 9 entities that made up around 50% of the market continuously found each other as counterparties. MPFL traded in NSE only, and MRBPL traded in BSE only. More than 98% of the trades of the 8 entities who traded on NSE were executed among the group, and more than 93% of the trades of these 8 entities were reversal trades. On BSE, more than 92% of the trades of the 8 Noticees who traded on BSE were executed among the group, and more than 94% of the trades of these entities were reversal trades. This cannot be a mere coincidence and it would be too naïve to think that the transactions are through

screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds.

77. I note that the Shah Family has argued that their trades should be seen in isolation, and not as part of the group. However, I do not find any merit in this argument. The transactions that were carried out by the entities were a part of the whole scheme of manipulation. They cannot be viewed in isolation. Further, I note that in the matter of *Usha Mehta Vs. SEBI* (Date of Order October 31, 2010), the Hon'ble SAT observed as follows:

> *"Adjudicating authority has further held that though individual trading volume of appellant was small, when seen together with Mehta Group it is seen that appellant was actively involved in manipulating the scrip during the investigation period. In these circumstances, we see no reason to interfere with penalty imposed upon appellant"*

78. In this regard, I also refer to the Order of the Hon'ble SAT in the matter of *Mayrose Capfin Ltd. Vs. SEBI* (Order dated March 30, 2012), wherein the SAT opined as follows:

> *"A large number of reverse trades are by themselves reflective of the manipulation meant for increasing volumes on the screen of the trading system. There is no change of beneficial ownership in the traded scrip.* ***Since the transactions were found between the connected parties, we cannot look into the trades of the appellant in isolation.*** *"*
>
> (Emphasis added)

79. Moreover, I note that even when viewed individually, the contribution of Shri Lalit Shah and Ms. Suhani Shah to the total volume by way of reversed trades was substantial. The same has been highlighted in the tables at para 56 and 60 above. Further, a summary of the total reversed trades executed by Suhani Shah and Lalit Shah on BSE and NSE is depicted below:

Name	Exchange	Reversal qty	Total Market Volume	% to mkt Volume

Lalit Shah	NSE	7,42,441	1,07,61,141	6.90
	BSE	3,62,882	55,79,119	6.50
Suhani Shah	NSE	6,68,374	1,07,61,141	6.21
	BSE	3,19,879	55,79,119	5.73

80. Thus, the reversal trades of Shri Lalit Shah and Ms. Suhani Shah individually accounted for 5.73% to 6.90% of the total market volume during the investigation period. By no means can this be considered a meagre amount. Furthermore, as noted above, Shri Lalit Shah and Ms. Suhani Shah are husband and wife, and their total reversal trades together accounts for around 12-13% on both the exchanges. In light of the same, I am unable to accept the contention of the Noticees.

81. The Monarch Entities and the Shah Family have aslo stated that they were jobbers, and they never got any alert from the exchange stating that their trades were in the nature of reversed/ synchronized trades. I find that the Hon'ble SAT in a similar *matter H.J. Securities Pvt. Ltd. vs. SEBI* (Order dated May 11, 2012) held that:

> *"The modus-operandi of the appellant in operating through the 19 jobbers from different locations has resulted in fictitious trades / self trades where the buyer and the seller are the same party. Such trades create artificial volume in the traded scrip and send wrong signal to the lay investor with regard to trading in the scrip. The Board has come to a definite finding that the appellant had executed self trades on the day of listing for 2,00,725 shares which was 7.08% of its total quantity i.e. one in every fourteen trades of the appellant's total buy quantity on that day was a self trade on its proprietary account in terms of volume. Similar is the situation on the sale side. It is further noted by the Board that trading pattern in the subsequent day also reflects that one out of eleven trades of the appellants' total buy quantity was a self trade on its proprietary account in terms of volume. This finding of the Board is not disputed by the appellant. <u>If the appellant was operating through jobbers from different terminals, he should have placed</u>*

some mechanism in place to ensure that his trades do not result in self trades. Simply because the number of such self trades is not large by itself cannot justify execution of self trades. The appellant is free to adopt any business model but he has to ensure that whatever business model he adopts, it is in conformity with the regulatory framework. Since the business model adopted by the appellant has resulted in self trades which are considered to be fraudulent, we cannot find any fault with the impugned order which has held the appellant guilty of violating the provisions of FUTP regulations as well as code of conduct for the stock brokers. We are, therefore, not inclined to interfere in the matter."

82. The Monarch entities and the Shah family have stated that there is some discrepancy in the data in the SCN vis-à-vis the annexures provided to them/ data as per their analysis. In this regard, I note that the data provided in the Annexures to SCN are obtained from the Exchanges, i.e. NSE and BSE. Furthermore, with respect to the Shah Family, during the course of the hearing held on November 20, 2014, it was pointed out to them that the discrepancy depicted by them in the data provided in the CD (containing annexures) compared to the data in the body of the SCN itself, was because the comparison made by them did not take into account the correct table in the SCN vis-à-vis the CD. Further, other "discrepancies" as per the Shah Family were also clarified. Hence, the ARs undertook to once again compare the data and if any discrepancy is noted, to bring out the same by November 25, 2014. The ARs were also asked to clarify what the tables provided at Annexure 14 of the written submissions at the time of the hearing stood for, and bring out the discrepancies, if any. The ARs were also advised to include figures and not just percentages.

83. Vide letter dated December 8, 2014 the Shah Family stated that the data with respect to trades on BSE, the data on the CD provided reconciled with the data in the SCN. However, with respect to the NSE trades they were facing certain difficulties. However, the Noticees did not elaborate anything further regarding the same. Vide

the said letter, the Noticees also submitted an Enclousure XIV-A by way of clarification for the aforemention Enclosure 14. Details of the same are as follows:

i. Table A submitted by Shah Family

Total Sumery of Trade (in % of total volume) [NSE] of Reversal Matrix

A	B	C	D	E	F	G	H	I	J	K
	Krishna Kumar	Afjalbhai	Monarch	Lalit Amrut	Suhani	Amit Kumar	Pragnesh	Asarafbhai	**Total Reversal Qty**	**Total Buy among group**
Krishna Kumar	152951	279214	241409	187449	140321	103707	31999	70519	**1207569**	**1273474**
	1.42%	2.59%	2.24%	1.74%	1.30%	0.96%	0.30%	0.66%	**11.22%**	
Afjalbhai	279214	20083	125733	255989	44510	72613	162333	89337	**1049812**	**1068006**
	2.59%	0.19%	1.17%	2.38%	0.41%	0.67%	1.51%	0.83%	**9.76%**	
Monarch	241409	125733	27	15000	206903	108835	186943	0	**884850**	**956254**
	2.24%	1.17%	0.00%	0.14%	1.92%	1.01%	1.74%	0.00%	**8.22%**	
Lalit Amrut	187449	255989	15000	2	83912	144139	55950	0	**742441**	**800394**
	1.74%	2.38%	0.14%	0.00%	0.78%	1.34%	0.52%	0.00%	**6.90%**	
Suhani	140321	44510	206903	83912	10	166997	11422	14299	**668374**	**782113**
	1.30%	0.41%	1.92%	0.78%	0.00%	1.55%	0.11%	0.13%	**6.21%**	
Amit Kumar	103707	72613	108835	144139	166997	5	0	12000	**608296**	**673191**
	0.96%	0.67%	1.01%	1.34%	1.55%	0.00%	0.00%	0.11%	**5.65%**	
Pragnesh	31999	162333	186943	55950	11422	0	1	0	**448648**	**453934**
	0.30%	1.51%	1.74%	0.52%	0.11%	0.00%	0.00%	0.00%	**4.17%**	
Asarafbhai	70519	89337	0	0	14299	12000	0	10	**186165**	**197415**
	0.66%	0.83%	0.00%	0.00%	0.13%	0.11%	0.00%	0.00%	**1.73%**	
TOTAL	**1207569**	**1049812**	**884850**	**742441**	**668374**	**608296**	**448648**	**186165**	**5796155**	**6204781**
% Total	**11.22%**	**9.76%**	**8.22%**	**6.90%**	**6.21%**	**5.65%**	**4.17%**	**1.73%**	**53.86%**	

ii. Table B submitted by Shah Family

Total Summery of Trade (in % of buy + sell) [NSE] of Reversal Matrix

A	B	C	D	E	F	G	H	I	J	K
	Krishna Kumar	Afjalbhai	Monarch	Lalit Amrut	Suhani	Amit Kumar	Pragnesh	Asarafbhai	**Total Reversal Qty**	**Total Buy among group**
Krishna Kumar	152951	279214	241409	187449	140321	103707	31999	70519	**1207569**	**1273474**
	6.01%	11.92%	10.83%	9.04%	6.82%	5.32%	1.85%	4.80%	**56.59%**	
Afjalbhai	279214	20083	125733	255989	44510	72613	162333	89337	**1049812**	**1068006**
	13.07%	0.94%	6.21%	13.70%	2.40%	4.17%	10.68%	7.06%	**58.24%**	
Monarch	241409	125733	27	15000	206903	108835	186943	0	**884850**	**956254**
	10.83%	6.21%	0.00%	0.85%	11.89%	6.67%	13.28%	0.00%	**49.73%**	
Lalit Amrut	187449	255989	15000	2	83912	144139	55950	0	**742441**	**800394**
	9.04%	13.70%	0.85%	0.00%	5.30%	9.77%	4.47%	0.00%	**43.12%**	
Suhani	140321	44510	206903	83912	10	166997	11422	14299	**668374**	**782113**
	6.83%	2.41%	11.91%	5.30%	0.00%	11.46%	0.93%	1.46%	**40.29%**	
Amit Kumar	103707	72613	108835	144139	166997	5	0	12000	**608296**	**673191**
	5.33%	4.17%	6.68%	9.78%	11.46%	0.00%	0.00%	1.38%	**38.81%**	
Pragnesh	31999	162333	186943	55950	11422	0	1	0	**448648**	**453934**
	1.85%	10.66%	13.27%	4.46%	0.92%	0.00%	0.00%	0.00%	**31.17%**	
Asarafbhai	70519	89337	0	0	14299	12000	0	10	**186165**	**197415**
	4.79%	7.06%	0.00%	0.00%	1.46%	1.38%	0.00%	0.00%	**14.69%**	
TOTAL	**1207569**	**1049812**	**884850**	**742441**	**668374**	**608296**	**448648**	**186165**	**5796155**	**6204781**
Total Sell among group	**1273455**	**1068326**	**955100**	**800176**	**783535**	**675303**	**451956**	**196930**	**6204781**	

84. I note that the above two table as submitted by the Shah family seem to correspond to the details in the SCN for details of reversal and self trades among the group at NSE. The said details in the SCN for details of reversal and self trades among the group at NSE is provided above at para 56 above. The percentages in table "A" refers to the percentage of reversal trade to total volume in NSE. Table "B" refers to the percentage of reversal trade to total of buy and sell on NSE. I note here that Suhani Shah and Lalit Shah seem to have compared single side reveral with two side (Buy and Sell) trades on NSE. For example, Suhani Shah and Lalit Shah had single side reversal of 83,912 shares, which has been compared to with two side (Buy and Sell) trades on NSE. Hence, the percentage of their reversal vis a vis their total buy and sell on NSE is shown as 5.3%. However, when single side reversal is compared only to buy **or** sell, or if two side reversal is compared to buy **and** sell, the percentage of reversal between the two entities comes close to 11.5%. Similarly, total of Lalit Shah with all group entities (single side) is 7,42,441 shares. His total buy among the group is 8,00,394, which amounts to a percentage of 92.76%. on the sell side, the percentage comes to 92.78% as Lalit Shah sold 8,00,176 shares among the group during the Investigation period.

However, by comparing single side reversal to gross (Buy + Sell) among group, the Noticee has arrived at a figure of 43.12%, which is incorrect. I note that a similar approach has been taken for the BSE data, and this alone is the reason for any discrepancy claim of the said Noticee.

85. Further, with respect to the synchronized trades, the Shah Family as well as the Monarch Entities have stated that the volumes were negligible, and thus cannot be said to have manipulated the trading in the scrip of SAOL. I note that in the matter at hand, on NSE synchronized trades (buy order and sell order quantity and rate being identical and orders placed within 1 minute) among the Group was 4,68,367 shares i.e. 7.55% of the group traded quantity and 4.35% to the market volume during the investigation period. On BSE, the synchronized trade among the Group was 1,22,592 shares i.e. 4.17% of the Group traded quantity and 2.20% to the market volume during the investigation period.

86. In this regard, I note that the Hon'ble SAT, in the matter of ***Krupa Sanjay Soni Vs. SEBI*** (Order dated January 24, 2014) observed that the "Group" of entities therein accounted for approximately 42.86% of the total market gross quantity of trades and that the Appellants had also executed self trades through various brokers on many occasions during the period in question. In the matter, the Tribunal observed as follows

> *"In addition to the above said, it is noted from the pleadings that there was trading of some shares in a synchronized manner. There was no difference in the buy and sell orders, quantity and price of shares. Such buy and sell orders were placed almost simultaneously within a time gap of less than one minute. These synchronized trades also amounted to <u>1.99 percent of the total market volume</u> during the period in question. Therefore, we do not find any legal infirmity, as far as FUTP charge is concerned, in the impugned order dated September 14, 2012"*
> (emphasis supplied)

87. I note that in the case at hand as well the reversal trades as established above were of a very significant percentage. Of that, some trades are also found to be synchronized. I am of the view that the manipulation has to be seen as a whole, and not in an isolated manner. The large number of reversal trades clearly establishes that the Noticees were dealing in the scrip in a fraudulent manner, and the synchronization, albeit of a smaller percentage, was but a part of the scheme of manipulation. In this regard I find that the Hon'ble SAT in the matter of ***M/s Rajesh N. Jhaveri Vs. SEBI*** (Date of Order- April 16, 2012) has observed as follows

> *"The appellant's learned counsel has not raised any objection against the trade logs detailed in the adjudication order. <u>His argument revolves around negligible quantity of trade and absence of any impact on the market.</u> In the facts of the case, we cannot appreciate both these contentions. The fact remains that the appellant has entered into synchronized/reversal trades during the period under investigation. <u>It is not material whether the alleged volume of manipulation is insignificant as compared to the total volume of the scrip of the company traded during the period. What is relevant is the conduct of the parties in effecting the trades.</u> The impact on the market relates to creation of artificial volumes by the manipulative trades undertaken by the appellant"*

88. In view of the above, I am of the view that the Noticees indulged in reversal and synchronized trades in the scrip of Sanwaria, thereby creating artificial volume and a misleading appearance of trading.

89. Moving to the allegation of self trade, I note that while Afjalbhai has denied that he traded in then scrip in a fraudulent manner, he has not provided any specific defense in respect of the charges levelled against him. Further, Afjalbhai has stated that he was jobbing in the scrip, and the impugned trades were only coincidental. In this regard, I find that the judgment of the Hon'ble SAT in the matter of *H.J. Securities Pvt. Ltd. vs. SEBI* (Order dated May 11, 2012) as cited above, holds relevance. If Afjalbhai was engaging in jobbing in the scrip, he should have placed some mechanism in place to

ensure that his trades do not result in self trades. The appellant is free to adopt any business model but he has to ensure that whatever business model he adopts, it is in conformity with the regulatory framework.

90. 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".

91. 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."

92. Moreover, I note that the malafide of the Noticees has already been established hereinabove in respect of their trades, especially with respect to the large volume of reversal trades within the group. In such a scenario, the self trades executed by them cannot be given the benefit of doubt.

93. I also note that, as noted above, Shri Pragnesh Patel, and Shri Afjalbhai have not made any specific submissions with respect to their trades. Moreover, Shri Asarafbhai has not filed any reply in the matter. In this context, I would like to rely upon the observations of the Hon'ble SAT, in the matter of ***Classic Credit Ltd. vs. SEBI*** (decided on December 08, 2006) wherein the Tribunal observed-

"...the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them".

94. Further, in the matter of ***Sanjay Kumar Tayal & Others v SEBI*** (decided on February 11, 2014), the Hon'ble SAT observed as follows:

"…appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices…".

95. In view of the above, I am of the opinion that the allegations against the Noticees are clearly established. Accordingly, I find that Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Asarafbhai Majidbhai Pancha, Afjalbhai Kasambhai Lakhani, Monarch Research and Brokerage Pvt Ltd and Monarch Project and Finmarkets Ltd have violated Regulations 3 (a), (b), (c) (d), 4 (1), 4(2) (a) and (g) of the PFUTP Regulations.

96. Further, as noted earlier, Shri Bankim Shah was included as a Noticee in the matter due to an error in the UCC database (as provided by the Member to BSE). However, upon verification of the details provided by Shri Bankim Shah, it came to light that the PAN to which the impugned trades in the matter were attributed, did not belong to him. Rather, the same was the PAN of MRBPL. In view of the same, the charge against Shri Bankim Shah cannot stand, and the matter qua Shri Bankim Shah is disposed of accordingly.

<u>Penalty for Violations</u>

97. 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."

98. In view of the foregoing, I am convinced that it is a fit case to impose monetary penalty under Section 15HA of the SEBI Act, 1992 on the 7 Noticees,viz. Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Asarafbhai Majidbhai Pancha, Afjalbhai Kasambhai Lakhani, Monarch Research and Brokerage Pvt Ltd and Monarch Project and Finmarkets Ltd. Section 15HA of the SEBI Avt, 1992 reads 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.*

99. While determining the quantum of penalty under section 15HA of SEBI Act, 1992 as applicable, it is important to consider the factors stipulated in section 15J of SEBI Act, 1992 which are as under:-

> *(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."*

100. 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.

101. I note that the Noticees, Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Asarafbhai Majidbhai Pancha, Afjalbhai Kasambhai Lakhani, Monarch Research and Brokerage Pvt Ltd and Monarch Project and Finmarkets Ltd, by executing self trades/ reversal trades/ synchronized trades, among themselves accounted for more than 50% of the market volume on BSE and NSE and thereby created artificial volumes

and manipulated the market in the SAOL scrip. The acts of the aforenamed Noticees sent 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. In this case, the reversal trades accounted for near about 50% of the market volume on both the exchanges during the investigation. 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 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.

102. Trades getting matched between same group enities 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. Such trades could in no way have occurred without a prior meeting of minds.

103. 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."

104. It is observed from the preceding paras that execution of reversal/ synchronized 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 SAOL scrip.

105. It is noted that the the Noticees have traded extensively amongst themselves in the scrip of SAOL during the investigation period. Further, the following entities viz. Lalit Amritlal Shah, Suhani Lalit Shah, Pragnesh Vishnubhai Patel, Asarafbhai Pancha, and Afjalbhai Kasambhai Lakhani have done reversal /synchronized trades in SAOL scrip at BSE and NSE. MPFL has done reversal /synchronized trades in SAOL scrip at NSE only, while MRBPL has done the same at BSE only. Further it is observed that Afjalbhai Kasambhai Lakhani has carried out self trades in SAOL scrip at BSE and NSE.

ORDER

106. After taking into consideration all the facts and circumstances of the case, I impose the following penalty under Section 15HA of the SEBI Act, on the Noticees named below which will be commensurate with the violations committed by the said Noticees.

Sl No	**Name**	**Penalty**
1.	Lalit Amritlal Shah	Rs. 5,00,000/- (Rupees Five Lakh Only)
2.	Suhani Lalit Shah	Rs. 5,00,000/- (Rupees Five Lakh Only)
3.	Pragnesh Vishnubhai Patel	Rs. 5,00,000/- (Rupees Five Lakh Only)
4.	Asarafbhai Majidbhai Pancha	Rs. 5,00,000/- (Rupees Five Lakh Only)
5.	Afjalbhai Kasambhai Lakhani	Rs. 6,00,000/- (Rupees Six Lakh Only)
6.	Monarch Research and Brokerage Pvt Ltd	Rs. 3,00,000/- (Rupees Three Lakh Only)
7.	Monarch Project and Finmarkets Ltd	Rs. 3,00,000/- (Rupees Three Lakh Only)

Total	**Rs. 32,00,000/- (Rupees Thirty Two Lakh Only)**

107. Further, after taking into consideration all the facts and circumstances of the case and material available on record, I do not find it a fit case to impose any monetary penalty on Shri Shah Bankim.

108. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO → PAY NOW.

109. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department - DRA-1), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.". The Noticees shall also provide the following details while forwarding DD / payment information:

a) Name and PAN of the Noticee
b) Name of the case / matter
c) Purpose of Payment – Payment of penalty under AO proceedings
d) Bank Name and Account Number
e) Transaction Number

110. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

111. 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 19, 2020	**G Ramar**
Place: Mumbai	**Adjudicating Officer**