BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER

ORDER

Under Sections 11 and 11B of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 in respect of Bhavesh Prakash Pabari, Hemant M Sheth and 40 other entities in the matter of manipulation in the scrip of Crazy Infotech Ltd.

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1. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) and Bombay stock Exchange (**BSE**) conducted investigation into buying, selling and dealing in the scrip of Crazy Infotech Ltd. (hereinafter referred to as **"Crazy Infotech")**, for various periods between August 2005 to August 2007, on observing spurt in the price of the scrip.

2. On the basis of the Report submitted by BSE, SEBI conducted a detailed investigation into the buying, selling and dealing in the scrip of Crazy Infotech during the period from April 1, 2005 to December 31, 2007 (hereinafter referred to as "**investigation period**") in order to ascertain any instances of contravention of provisions of SEBI Act, 1992 (**SEBI Act**)/Rules/Regulations etc.

2.1 It was observed that prior to the investigation period *i.e.* during the period January 21, 2004 to March 31, 2005, the price of the scrip was in the range from, ` 0.57 to `2.76/- with daily average volume of 16,270 shares and three months prior to the investigation period *i.e* from January 1, 2005 to March 31, 2005, the price of the scrip was in the range from `1.64 to `2.74/-. However, it was observed that during the investigation period (i.e. from April 1, 2005 to December 31, 2007), price of the scrip increased from `1.99 to reach a high of `268/- on September 28, 2007 and later closed at ` 255.80 on December 31, 2007. After the investigation period, price of the scrip fell sharply to close at `21.5/- on March 27, 2008. It was also noted that there were no major corporate announcements during the said periods.

2.2 Investigation found that a group of 823 *connected entities* (connected through common telephone number, address, off market transaction, bank transactions and hereinafter collectively referred to as "***connected entities***" and individually by their names) were trading in the scrip during the investigation period in the manner of circular and reversed trades among themselves. Some of the *connected entities* were also found to have indulged in self trades during the investigation period. Details of these 823 *connected entities* along with their trading details during the investigation period and details of connections amongst a few of these entities were already given in the respective Show Cause Notices (**SCN**) sent to them.

2.3 The total traded volume in the scrip of Crazy Infotech during the investigation period was 2,92,46,282 shares. The aforesaid *connected entities* traded on 566 days out of 653 days on which the scrip was traded on the exchange (BSE) during the investigation period. They traded among themselves for 66,57,790 shares i.e. 22.73% of traded volume in the market. They were involved in trades for 2,14,07947 shares on either buy side or sell side or both sides of same trades accounting for around 73.07% of the total traded volume of 2,92,46,282 shares. The aforesaid group of *connected entities* were also observed to be transferring shares through off-market transactions/trades among themselves during the investigation period.

2.4 On analyzing the pattern of transactions executed by the *connected entities*, it was found that the *connected entities* had indulged in self trades and also traded in circular/ reversal/ synchronized/ structured pattern, creating artificial volume and price rise in the scrip of Crazy Infotech. The price volume data of the scrip for the investigation period was forwarded to the entities along with their respective SCNs.

3. Out of the entire 823 *connected entities* identified by the investigation (Paragraph No. 2.2), 780 entities were found to have either traded individually on 10 or less number of instances during the 653 days on which the scrip was traded on the exchange (BSE) during the investigation period, or traded on more than 10 instances but bought/sold less than 75,000 shares in market and/or off-market. On the basis of the said criteria, SEBI issued administrative warning to the aforesaid 780 entities in May 2011, advising the entities to take care in future and to be more vigilant, in the manner they execute trades, so the their trades do not compromise market integrity in any manner. Adjudicating proceedings were initiated against one of the entities, *viz.* Arcadia Share & Stock Brokers Pvt. Ltd.

3.1 Out of the remaining 42 entities, 37 entities were alleged to have traded in both market and off-market and bought/sold at least 75,000 or more shares in market and/or in off-market during the investigation period in circular/reversal,/synchronized/ structured trades in connivance with other *connected entities,* which resulted in artificial volumes and rise in price of the scrip of Crazy Infotech. The remaining 5 entities were found to have indulged only in off-market transactions and were an important off-market link between the other *connected entities* trading in market, thereby completing the circular pattern of trading among themselves and creating artificial volume in the market. These five entities were selected based on criteria that they had either totally bought or sold 75,000 shares or more in the off-market trading in more than 10 instances.

3.2 The following table contains the list of the remaining 42 entities(*i.e.* the 37 entities who traded in both market and off-market and the 5 entities who traded only in off-market), who were found to have traded in both market and off-market and bought/sold 75,000 or more shares in market and/or off-market during the entire investigation period in circular/reversal,/synchronized/structured trades, in connivance with other *connected entities* which resulted in creation of artificial volumes and impacted the price of the scrip of Crazy Infotech which distorted the price and volume of the scrip. The following 42 entities are hereinafter collectively referred to as "***Noticees***" and individually by their respective names :

Serial No.	Name of 42 connected entities	PAN
1.	Bhavesh Prakash Pabari	AKGPP8679N
2.	Hemant M Sheth	ANOPS8607E
3.	Anand Kalu Rapu Marathe	AKWPM0699M
4.	Rakesh Parasmal Singhvi	BCQPS0499L
5.	Rajesh Pravin Bhanushali	AABPB2744H
6.	Prem Mohanlal Parikh	ALHPP3489N
7.	Shriprakash Vinaykumar Sardesai	AMYPS0171J
8.	Vikram Damodar Jalan	AGTPJ5257D
9.	Kishore B Chauhan	AFPPC9703G
10.	Vinayak Maruti Bhange	ABQPB5361E
11.	Mayank Gandhi Aditi	AKCPG0247R
12.	Mayank Navnitbhai Gandhi	AKCPG0246Q
13.	Gokulbhai Patel Rakesh	AGPPP7771C
14.	Alliance Intermediaries and Network Pvt. Ltd.	AAECA6031C
15.	Amar Premchand Balmiki	AAUPW9971A
16.	Archana Arunkumar Upadhyay	AAAPU3454C
17.	Ankit Rajendra Sanchaniya	BLNPS3316L
18.	Arvind Mulraj Udeshi	AAOPU9404C

19.	Balasaheb Jagannath Kamble	AQUPK2396P
20.	Bharat Shantilal Thakkar	AAZPT9542R
21.	Bhavarlal Sonaji Malvi	AUXPM5267G
22.	Dilip Sadanand Utekar	AAAPU0835B
23.	Dilipkumar Shantilal Mehta	ASDPS0763J
24.	Dineshkumar Ramchandra Pandey	AONPP7058J
25.	Jaya Talakshi Chheda	AAJPB7882N
26.	Jayshree Shriprakash Sardesai	AAQPS2141G
27.	Jitendra Mehta	ALWPM4683J
28.	Kirit Shantilal Gandhi	AAMPG4381Q
29.	Pradeep Bhat	AGSPB0964C
30.	Pravinbhai Shah (DNG Mercantile Pvt. Ltd.)	AACCD0126H
31.	Rikesh R Shah	APXPS9344F
32.	Samir Shah Shital	AGIPS3507J
33.	Samir Sureshchandra Shah (HUF) Samir Sureshchandra Shah	AAHHS5122G AGEPS0157L
34.	Santosh Abhayraj Shukla	BCRPS0029P
35.	Santosh Kondu Gharat	AIDPG7206M
36.	Shyam Sunder Bohra	AKCPB6054D
37.	Vijay Kumar Bohra	ABYPB1940P
38.	Arunkumar Chhaganlal Upadhyay	AAAPU0565E
39.	Indrapratap Gajraj Singh	APEPS7258B
40.	Sachin Suresh Gaikawad	ALFPG5902R
41.	Chandrakant Keru Shinde	ALUPS1679Q
42.	Priyanka Dilip Utekar	AABPU3762C

3.3 In respect of the aforesaid 42 entities, SEBI issued separate Show Cause Notices (SCNs) on November 7, 2012 to show cause as to why suitable directions under Section 11& 11B of the SEBI Act, 1992 read with Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as **"PFUTP Regulations, 2003"),** including a direction to restrain from accessing the securities market and prohibit from buying, selling or dealing in securities for a particular duration should not be passed against them for the violation of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. The aforesaid 37 entities (traded in both market and off-market) were alleged to have violated Regulation 3 (a), 4(1), 4(2)(a), (b), (e) & (g) of PFUTP Regulations, 2003 and the remaining 5 entities (who transacted only in off-market) were alleged to have violated Regulation 3 (a), 4(1), 4(2)(a) of PFUTP Regulations, 2003.

3.4 The relevant provisions alleged to have been violated by the aforesaid entities are reproduced below

PFUTP Regulations, 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

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

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

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

3.5 Replies to the SCNs were received from the following Noticees:

- Mr. Rakesh Parasmal Singhvi filed his reply vide letter dated February 17, 2014,
- Mr. Shriprakash Vinaykumar Sardesai and Mrs. Jayshree Shriprakash Sardesai filed their reply vide separate letters dated February 4, 2014,
- Mr. Vikram Damodar Jalan filed his reply, vide letter dated February 15, 2014,
- Mr. Amar Premchand Balmiki filed his reply vide letter dated February 17, 2014,
- Mr. Mayank Navnitbhai Gandhi and Ms. Aditi Mayank Gandhi filed their replies vide separate letters dated December 2, 2012,
- Ms. Jaya Talakshi Chheda filed her reply vide letter dated December 17, 2012,
- Mr. Samir Sureshbhai Shah and Ms. Shital S Shah filed their replies vide separate letters dated December 10, 2012,
- Mr. Dilip Sadanand Utekar filed his reply vide letter dated July 19, 2014,
- Mr. Chandrakant Keru Shinde, Ms. Priyanka Dilip Utekar filed his reply vide letter dated June 28, 2014,
- Alliance Intemediateries and Network Pvt. Ltd. filed its reply vide letter dated November 27, 2012,
- Jitendra Mehta vide letter dated February 17, 2012 filed his reply,

- Pradeep Bhat filed his reply vide letter dated December 2, 2012,
- Vijay Kumar Bohra filed his reply dated August 23, 2014,
- Vinayak Maruti Bhange filed his reply vide letter dated February 17, 2014
- Gokulbhai Patel Rakesh filed his reply vide letter dated February 5, 2014,
- The wife of Mr. Kishore B Chauhan, replied to SEBI vide letter dated January 17, 2014 forwarding the death certificate of the Noticee.

3.6 All the 42 Noticees were given opportunity for personal hearing before me, on February 5, 2014. On the scheduled date, nine of the entities appeared and made submissions before me. Following are the details of the entities who appeared,

a. One Mr. Vikas Bengani appeared and made submissions on behalf of 4 of the entities, *viz.* Mr. Amar Premchand Balmiki, Mr. Vinayak Maruti Bhange, Mr. Vikram Damodar Jalan and Mr. Jitendra Mehta.

b. Five of the Noticees, *viz* Mr. Gokulbhai Patel Rakesh, Mr. Samir Sureshchandra Shah, Mrs. Shital Samir Shah (represented by Mr. Samir Shah), Mr. Mayank Navnitbhai Gandhi and Mrs. Aditi M. Gandhi (represented by Mr. Mayank Navnitbhai Gandhi) also appeared for hearing and made submissions.

3.7 Another opportunity of hearing was granted to the remaining 33 entities on September 10, 2014. On the scheduled date, eight of the entities appeared and made submissions. The details are as under,

a. Mr. Vikas Bengani appeared and made submissions on behalf of 5 entities *viz.* Mr. Rakesh Parasmal Singhvi, Mr. Dilip Sadanand Utekar, Mr. Vijay Kumar Bohra, Mr. Chandrakant Keru Shinde and Ms. Priyanka Dilip Utekar.

b. Mr. Arunkumar Chhaganlal Upadhyay appeared for himself and his wife *viz.* Mrs. Archana Arunkumar Upadhyay and made submissions.

c. Mr. Sachin Suresh Gaikwad appeared and made oral submissions.

d. Out of the remaining 25 entities, who did not appear for hearing, 19 Noticees did not file their replies to the SCNs.

3.8 The aforesaid 19 Noticees, who neither replied to the SCNs nor availed the opportunity of hearing granted to them on February 5, 2014 and September 10, 2014, it can be reasonably concluded that the said 19 Noticees have no submissions to make in respect of the SCNs issued to them.

The Noticees *inter alia* made the following submissions,

i. Mr. Rakesh Parasmal Singhvi, Mr. Vikram Damodar Jalan, Mr. Vijay Kumar Bohra, Mr. Dilip Sadanad Utekar and Mr. Vinayak Maruti Bhanage *inter alia* made the following common submissions:

- In a synchronized trade, quantity, time and price are important factors and in respect of the trades executed by the Noticee, the quantity did not match,
- An order, which got executed into trades became normal trade with certain counter parties and at the same time it became synchronized trade with other counter parties,
- Noticee has not executed any reversal of trades. All the trades were delivery based trades and shares have changed beneficial ownership,
- Noticee's transaction was spread across hundreds of persons and there was no evidence to prove connection with all the 823 entities,
- Crazy Infotech was a highly liquid scrip, and, in a screen based trading, the counter parties are anonymous,
- Out of the 823 connected entities, 780 were let off by SEBI with an administrative warning and the Noticee has been issued SCN under Section 11, 11B of the SEBI Act, 1992,
- SEBI has not provided investigation report and complete trade and order log relied by the investigation,
- No material has been provided in respect of the connection /relation amongst the connected entities.

ii. In addition to the above, Mr. Vikram Damodar Jalan made the following submission:

- The trade log containing the complete details of synchronized trades were not provided (with the SCN) to him.

iii. Mr. Shriprakash Vinaykumar Sardesai and Mrs Jayshree Shripraksah Sardesai *inter alia* made the following common submissions:

- Noticee trades in securities market to earn profit, and their trades were primarily short term trades/jobbing and arbitrage transactions,
- It is denied that the trades were circular/reversal/synchronized and created artificial volume,
- No trades matched with Mr. Prem Parikh with whom there is connection by way of a single bank transaction,
- SEBI has not shown meeting of minds between the Noticee and counter parties,
- SCN is vague and does not contain any material particulars,
- Matching of trades is coincidental and not deliberate,
- 11B SCN has been issued to the Noticee, when 780 connected entities were given administrative warning.
- SEBI has not provided investigation report and complete trade and order log relied by the investigation,
- No material has been provided in respect of the connection /relation amongst the connected entities.

iv. Amar Premchand Balmiki *inter alia* made the following submissions:

- Mere connection does not prove anything and no document has been provided to show the connection of the Noticee to any of the connected entities,
- All trades were executed during market hours and within circuit filter limits of the scrip.

v. Pradeep Bhatt *inter alia* made the following submissions:

- Traded only with 68 entities and clubbing with 823 entities is not correct,
- Cross- examination must be given of the all the connected entities,
- No cogent connection has been established with each and every entity,
- Names of parties who have done off-market transfers have not been provided,
- Off-market trades were insignificant and were used to meet market exigencies.

vi. Samir Bhai Shah and Shital S. Shah *inter alia* made the following common submissions

- Lent the account to an operator and did not carry out any trading by themselves,
- The Accounts were misused by the operator, *viz.* Mr. Para Chaplot.

vii. Jaya Talakshi Chheda *inter alia* made the following submissions:

- Only instructed broker to procure shares on the basis of its fundamentals,
- Not connected to any entities,
- Only entered into a single transaction and did not benefit from the increse in the price of the scrip as the Noticee exited much before the rise in price.

viii. Alliance Intermediaries *inter alia* made the following submissions:

- Only dealt in 88,820 shares of which 19,820 shares were purchased from market wherein counterparties were unknown,
- 69,000 shares purchased from one associate,
- No connection with any of the parties.

ix. Mayank N. Gandhi and Aditi Mayank Gandhi *inter alia* made the following common submissions:

- Lent the account to an operator on advice of Samir Shah and did not carry out any trading by themselves,
- The Accounts were misused by the operator.

x. Mr. Chandrakant Shinde and Ms. Priyanka Dilip Utekar *inter alia* made the following submissions

- The Noticees had executed only off-market trades,
- The off market transactions are valid as per law,
- SCN does not provide for the complete details of off market transactions by the Noticees,
- Out of the 823 connected entities, 780 were let off by SEBI with an administrative warning and the Noticee has been issued SCN under Section 11, 11B of the SEBI Act, 1992,
- SCNs do not specifically provide any details about the allegations. Allegations are general in nature.

xi. Mr. Sachin Gaikwad during the course of personal hearing submitted that:

- Noticee is an illiterate and was working as peon in a Chartered Accountant firm, during the time of the alleged transactions,
- He was made to sign some documents by his employer and all the transactions were done by his employer.

4. I have carefully examined the SCNs issued against each of the Noticees, their replies, written and oral submissions made before me during the hearing along with the documents submitted therewith. In the next few paragraphs, the charges *vis-a'-vis* each Noticee will be examined in the light of the findings of the investigation, replies filed by the Noticees, and submissions made before me during the personal hearing.

4.1 On analyzing the data given in the SCNs issued to the Noticees along with the Annexures therein, the following are observed,

a. Noticees Nos. 1 to 37 are alleged to have indulged in reversal/circular and synchronized/structured trades in connivance with other *connected entities*. In addition to this, the Noticees Nos. 1 to 9 are alleged to have indulged in self trades on several days during the investigation period. The aforesaid activities alleged to have resulted in artificial volume and price rise in the scrip of Crazy Infotech, thereby violating the provisions of Regulation 3 (a), 4(1), 4(2)(a), (b), (e) & (g) of PFUTP Regulations, 2003.

b. Noticees Nos. 38 to 42 are alleged to have indulged in off market transactions in connivance with other *connected entities* including the aforesaid Noticees Nos. 1 to 37, who inturn offloaded the shares in the market. Thus, the Noticees Nos. 38 to 42 are alleged to have aided and abetted other *connected entities,* violating the provisions of Regulation 3 (a), 4(1), 4(2)(a) of PFUTP Regulations, 2003.

Connection/relation amongst the *Connected Entities*:

4.2 The SCNs allege that the group of 823 *connected entities* is inter-connected through common telephone number, address, off market transaction, bank transactions. The details of the connection amongst the Noticees and a few of the *connected entities*, are already provided in Annexure 3 of the respective SCNs.

Market and Off-market Transactions by Noticees-

4.3 The market and off market transactions entered into by the Noticees during the investigation period are detailed in the table below:

Noticees	Period of transactions	Market/Off market	Sold/transferred (No. of shares)	Bought/received (No. of shares)
Bhavesh Prakash Pabari	March 24, 2006 to December 27, 2007	Market	3,30,647	10,30,678
		Off market	12,47,052	8,34,688
Hemant M Sheth	March 24, 2006 to December 31, 2007	Market	3,80,102	5,84,795
		Off market	2,66,327	1,58,825
Anand Kalu Rapu Marathe	January 29, 2007 to December 31, 2007	Market	7,48,687	18,45,931
		Off market	13,76,656	8,51,223
Rakesh Parasmal	May 05, 2006 to December 31, 2007	Market	8,38,326	11,92,122
		Off market	3,41,945	-
Rajesh Pravin Bhanushali	August 18, 2006 to December 31, 2007	Market	1,28,983	2,47,264
		Off market	1,03,000	5,900
Prem Mohanlal Parikh	July 10, 2006 to December 24, 2007	Market	1,86,790	2,73,888
		Off market	1,97,496	1,13,100
Shriprakash Vinaykumar Sardesai	July 10, 2007 to December 07, 2007	Market	2,60,594	4,71,856
		Off market	-	-
Vikram Damodar Jalan	May 30, 2006 to March 09, 2007	Market	10,25,256	13,30,856
		Off market	3,05,352	-
Kishore B Chauhan	June 14, 2006 to December 24, 2007	Market	1,87,748	2,55,406
		Off market	7,79,46	2,000 (*from Hemant Sheth)*
Vinayak Maruti Bhange		Market	2,77,445	3,81,810
		Off market	3,24,862	2,93,408
Mayank Gandhi Aditi	August 10, 2007 to October 29, 2007	Market	394825	485909
		Off market	90673	-
Mayank Navnitbhai Gandhi	August 16, 2007 to November 13, 2007,	Market	279086	265896
		Off market	5489	18679

Gokulbhai Patel Rakesh	October 18, 2007 to December 31, 2007	Market	253445	626337
		Off market	11200	-
Alliance Intermediaries and Network Pvt. Ltd	August 1, 2006 to May 22, 2007	Market	8,450	24,720
		Off market	1,12,870	96,620
Amar Premchand Balmiki	November 6, 2006 to April 12, 2007,	Market	3885	179722
		Off market	175837	63769
Archana Arunkumar Upadhyay	June 29, 2005 to March 27, 2006	Market	2200	7300
		Off market	113500 (both received and transferred)	
Ankit Rajendra Sanchaniya	July 16, 2007 to December 28, 2007	Market	127441	155412
		Off market	2500	-
Arvind Mulraj Udeshi	December 13, 2006 to December 26, 2007	Market	114285	1366
		Off market	169965	234266
Balasaheb Jagannath Kamble	July 12, 2006 to March 05, 2007	Market	48527	316914
		Off market	255777	79181
Bharat Shantilal Thakkar	December 29, 2005 to December 04, 2007	Market	133899	237442
		Off market	99600	-
Bhavarlal Sonaji Malvi	September 12, 2005 to July 05, 2006	Market	242118	239018
		Off market	0	3400
Dilip Sadanand Utekar	March 13, 2006 to August 18, 2007	Market	281463	634074
		Off market	353610	393422
Dilipkumar Shantilal Mehta	May 25, 2005 to June 29, 2006	Market	468120	443020
		Off market	3400	30000
Dineshkumar Ramchandra Pandey	August 11, 2006 to December 26, 2007	Market	13565	94095
		Off market	78644	-
Jaya Talakshi Chheda	-----	Market	-	-
		Off market	-	-
Jayshree Shriprakash Sardesai	June 27, 2007 to December 07, 2007	Market	122078	244358
		Off market	-	-

Jitendra Mehta	August 1, 2006 to December 03, 2007	Market	76903	115590
		Off market	38625	-
Kirit Shantilal Gandhi	October 12, 2006 to July 03, 2007	Market	60062	193577
		Off market	133500	-
Pradeep Bhat	April 18, 2007 to December 31, 2007	Market	8903	90545
		Off market	83450	1808
Pravinbhai Shah (DNG Mercantile Pvt. Ltd.)	September 02, 2005 to December 17, 2007	Market	277469	506188
		Off market	227219	-
Rikesh R Shah	March 05, 2007 to October 29, 2007	Market	102625	370660
		Off market	266035	-
Samir Shah Shital	March 28, 2007 to December 28, 2007	Market	426408	707967
		Off market	269038	5100
Samir Sureshchandra Shah and Samir Sureshchandra Shah, HUF	December 21, 2006 to August 1, 2007	Market	20378	108139
		Off market	87747	-
Santosh Abhayraj Shukla	October 30, 2006 to December 11, 2007	Market	10654	113944
		Off market	93956	-
Santosh Kondu Gharat	September 11, 2006 to May 18, 2007	Market	33954	65694
		Off market	81629	50000
Shyam Sunder Bohra	July 19, 2006 to December 31, 2007	Market	7500	80383
		Off market	75133	-
Vijay Kumar Bohra	July 18, 2006 to December 28, 2007	Market	40776	126619
		Off market	89753	-
Arunkumar Chhaganlal Upadhyay	October 06, 2005 to February 13, 2007	Off market	167500	161500
Indrapratap Gajraj Singh	April 10, 2007 to November 29, 2007	Off market	1243649	1244749

Sachin Suresh Gaikawad	July 9, 2007 to December 31, 2007	Off market	1390950	1403325
Chandrakant Keru Shinde		Off market	0	116633
Priyanka Dilip Utekar	November 26 and 30, 2006	Off market	89742	89742

4.4 In view of the connection alleged against the entities, the SCNs allege that the trades executed by the *connected entities* including the Noticees, were mainly in the manner and pattern of i) Reversal Trades and ii) Synchronized/Structured Trades, in collusion with each other. It is also alleged that five of the entities had indulged in off market transactions aiding and abetting other *connected entities* including the Noticees. All of these transactions alleged to have resulted in the artificial volume and price rise in the scrip of Crazy Infotech.

The allegations are dealt under the following paragraphs.

Reversal Trades by the Noticees-

4.5 The SCNs allege that the Noticees Nos. 1 to 37 have indulged in reversal trades with the *connected entities*. In this regard, I have perused the SCNs issued against each of the Noticees. A few instances of trades executed by one of the Noticees, *viz.* Bhavesh Pabari, as alleged in the SCN as reversed trades, are being detailed below, as an illustration of the instances of reversal trades:

4.5.1 The SCN alleges that Bhavesh Pabari executed reversal trades in both market and off-market, with *connected entities*. The reversed trades entered into by Bhavesh Pabari (in market), with the *connected entities*, as observed from the SCN are reproduced as under;

	Bought by Bhavesh Pabari	**Sold by Bhavesh Pabari**
Counterparty Name	**Market**	**Market**
Hemant M Sheth	23550	40500
Prem Mohanlal Parikh	12750	20185
Rajesh Pravin Bhanushali	7271	6721

Samir Shah Shital	15462	7868
Bharat Shantilal Thakkar	11681	11396
Anand Kalu Rapu Marathe	22234	1005
Ankit Rajendra Sanchaniya	17450	8471
Gokulbhai Patel Rakesh	5000	5000
Kishore B Chauhan	9055	20990
M Gandhi Aditi	5030	19760
Mala Hemant Sheth	0	4144
Rakesh Parasmal Singhvi	13084	3538
Vijay Kumar Bohra	10000	2386
Vikram Damodar Jalan	20959	6642

4.5.2 In order to examine the manner in which the reversals were executed by the Noticee, the Annexure -6 of the SCN (individual trade log data of Bhavesh Pabari) containing the entire trades executed by Bhavesh Pabari during the investigation period has been examined.

4.5.3 From the said Annexure, it is observed that on April 28, 2006 Bhavesh Pabari bought 9000 shares from Hemant Sheth and on August 24, 2006 Bhavesh Pabari sold 1500 shares back to Hemant Sheth. It is noted that out of the 9000 shares bought by Bhavesh Pabari from Hemant Sheth only 1500 shares were sold back to Hemant Shah. As regards, the date of the alleged transactions, it is noted that the buy transaction was on April, 2006, and the corresponding alleged reversal by sale was on August 2006.

4.5.4 Among several instances of alleged reversal of trades, such buy trades being reversed by sale trades or *vice versa* in between Bhavesh Pabari and Hemant Sheth were carried out after a large gap of time, in some cases more than 3 months. Similar instances of reversal trades have also been noticed in respect of the transactions entered into by Bhavesh Pabari with the *connected entities* mentioned in the above table. In view of this, it is difficult to consider such trades being reversed after a huge gap of time, as reversal of trades.

4.5.5 Similar instances of trades are noted in respect of the trades executed by other Noticees also. Even though the table shown in the respective SCNs in respect of reversed trades indicate that *connected entities* including the Noticees are seen in both buy and sell side during the investigation period, the SCNs did

not identify and provide specific instances of the alleged reversals between the connected entities which could be treated as exact reversals.

4.5.6 It is also observed that the SCNs issued to the Noticees refer to certain factors common to some of the Noticees. SCNs, however do not specifically explain the connection/relation amongst all the Noticees and the counterparties of their trades, which are alleged to be reversed and synchronized. Moreover, the connection amongst certain Noticees alone cannot be a decisive factor to determine the collusion amongst all the 823 *connected entities* including the Noticees herein as the SCNs do not contain specific data indicating the specific role/contribution of the Noticees to the volume and price generated through the alleged reversals/circular and synchronized trades in the scrip. It is also relevant to note that out of these 823 *connected entities*, 780 entities were issued administrative warning and these 780 entities were counter parties to several of the alleged trades executed by the Noticees.

Synchronized Trades

4.6 The SCNs allege that the Noticees Nos. 1 to 37 had indulged in synchronized trades in connivance with other *connected entities* resulting in price rise and volume in the scrip of Crazy Infotech. The details/instances of synchronized trades executed by Noticees are given in the Annexure – 7 of the respective SCNs issued to them.

4.6.1 From the said Annexure, it is noted that the Noticees had indulged in trades wherein the difference in time between buy and sell orders was within a minute and the difference between buy order price and sell order price was virtually zero. From the Annexure -7 of the respective SCNs, containing the details of the synchronized trades, I find that aforesaid pattern of synchronized trades has been observed in respect of the trades executed by all the Noticees. It is, however observed that the counter parties in a majority of synchronized trades executed by the Noticees are from the 780 *connected entities* against whom SEBI had issued an administrative warning and the precise connection amongst all the *connected entities* have not been satisfactorily explained in the SCNs. The SCNs are silent regarding the specific contribution of the synchronized trades of each of the Noticees, to the total volume generated and also to the price rise in the scrip of Crazy Infotech during the investigation period.

Price Manipulation by Noticees-

4.7 The SCNs issued to the Noticees allege that on the basis of analysis of Last Traded Price (LTP), the trades of Noticees had impacted/led to rise in price in the scrip of Crazy Infotech. In this regard, it is pertinent to note that rise in price of the scrip is alleged as a result of the transactions alleged in the SCN as reversed and synchronized trades. However as mentioned earlier, in the absence of clear data in the Annexure to the SCNs, the nature of trades executed by the Noticees cannot be conclusively determined as synchronized/reversed trades with pre-meditated intention to artificially inflate the price and volume in the scrip. Further, the counter parties to many transactions, are from the 780 entities against whom SEBI has already issued an administrative warning.

Off-market Transactions by Noticees No. 38 to 42

4.8 Five Noticees (Nos. 38 to 42), *viz.* Arunkumar Chhaganlal Upadhyay, Indrapratap Gajraj Singh, Sachin Suresh Gaikawad,Chandrakant Keru Shinde and Priyanka Dilip Utekar were alleged to have indulged in offmarket transactions with other *connected entities* including the Noticees No. 1 to 37, who inturn offloaded the shares in the market. By doing so, the Noticees Nos. 38 to 42 were alleged to have aided and abetted the other *connected entities* including the Noticees No. 1 to 37 to artificially inflate the price and volume in the scrip during the investigation period.

4.8.1 The details of the off market transactions executed by them are given in the table at Paragraph No.4.3 above. As has been discussed in the forgoing paragraphs that the reversed and synchronized trades, alleged to have been executed by the other *Noticees (*i.e the Noticees Nos. 1 to 37), have not been conclusively proved. In view of this, I am unable to hold that the off market transactions entered into by the Noticees Nos. 38 to 42 were for aiding and abetting other *connected entities* in creating artificial volume and price rise in the scrip during the investigation period.

5. To sum up, the trades of the Noticees Nos. 1 to 42, as per the SCNs, largely, fall under the category of self trades, synchronized, reversal/circular trades and off market transactions. As has been observed earlier, while analyzing the synchronized, reversal/circular trades and off market transactions executed by the Noticees, it is observed that the annexures to the SCNs contain details of the transactions executed by the Noticees during the entire investigation period. The SCNs, however do not contain sufficient details specifying and delineating

the transactions which were alleged to be synchronized and reversed *vis a vis* the Noticees. The specific instances of reversed and synchronized trades executed by the Noticees with the entities alleged to have been connected with each other are difficult to be isolated from the said trade logs annexed with the respective SCNs, as the trades are spread across the entire investigation period and the counterparties to their trades include the 823 *connected entities* and also some non-connected entities. In this regard, it is relevant to note that the common contention put forth by the Noticees, who have replied to the SCNs was that, out of the 823 entities alleged to have been connected to each other and have traded concertedly in the scrip during the investigation period (in both market and off market, creating artificial volume and price rise), 780 entities were let off by SEBI with an administrative warning and the Noticees were issued SCNs, alleging price and volume manipulation in the scrip of Crazy Infotech. In this regard, it is observed that eventhough such a course of action was adopted by SEBI in order to filter data and identify the main entities involved in the alleged manipulation, the fact that the counter parties to many of the trades (alleged to be synchronized and reversed trades) executed by the Noticees include entities against whom administrative warning had been issued by SEBI, cannot be ignored.

5.1 The material provided in the SCNs narrates instances of unusual trading pattern amongst the 823 *connected entities* including the Noticees casting doubt on the intent of the Noticees, in respect of the impugned transactions. However, considering the large number of transactions involving many entities, spread over many days during the investigation period, coupled with the fact that 780 of the 823 *connected entities* have been issued administrative warning by SEBI, I am of the view that, for the sake of uniformity, Noticees Nos. 1 to 42 also be afforded the same treatment.

5.2 In view of the discussions above, I am constrained to observe that a warning would be reasonable for the Noticees in respect of the reversed/circular, synchronized trades and the off market transactions alleged to have executed by them, in the scrip of Crazy Infotech.

Self Trades by the Noticees

6. In addition to the reversal/circular and synchronized trades, Noticees No. 1 to 9 were also found to have indulged in self trades for several days during the investigation period, thereby creating artificial volume and price rise in the scrip of Crazy Infotech. Following are the said nine Noticees, who are alleged to have indulged in self trades:

1. Mr. Bhavesh Prakash Pabari **(Bhavesh Pabari)**
2. Mr. Hemant M Sheth **(Hemant Sheth)**
3. Mr. Anand Kalu Rapu Marathe **(Anand Marathe)**
4. Mr. Rakesh Parasmal Singhvi **(Rakesh Singhvi)**
5. Mr. Rajesh Pravin Bhanushali **(Rajesh Bhanushali)**
6. Mr. Prem Mohanlal Parikh **(Prem Parikh)**
7. Mr. Shriprakash Vinaykumar Sardesai **(Shriprakash Sardesai)**
8. Mr. Vikram Damodar Jalan **(Vikram Jalan)**
9. Mr. Kishore B Chauhan **(Kishore Chauhan)**

The SCNs allege that the Noticees had indulged in self trades (*i.e* the Noticees were on both buy side and sell side of the same transaction). The details of the self trades executed by the Noticees No. 1 to 9, as observed from the Annexures to their respective SCNs, are as under:

Self Trades by Bhavesh Pabari

i. The Noticee is involved in self trades for 19,055 shares in the market. The details are as under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
29-Aug-06	Bhavesh Prakash Pabari	2500	58.45	Bhavesh Prakash Pabari
23-Nov-06	Bhavesh Prakash Pabari	2500	104.50	Bhavesh Prakash Pabari
23-Nov-06	Bhavesh Prakash Pabari	1000	103.90	Bhavesh Prakash Pabari
4-Dec-06	Bhavesh Prakash Pabari	2000	98.00	Bhavesh Prakash Pabari
4-Dec-06	Bhavesh Prakash Pabari	500	98.00	Bhavesh Prakash Pabari
4-Dec-06	Bhavesh Prakash Pabari	100	98.00	Bhavesh Prakash Pabari
14-Dec-06	Bhavesh Prakash Pabari	1000	72.50	Bhavesh Prakash Pabari
28-Aug-07	Bhavesh Prakash Pabari	600	197.90	Bhavesh Prakash Pabari
28-Aug-07	Bhavesh Prakash Pabari	50	197.90	Bhavesh Prakash Pabari
4-Sep-07	Bhavesh Prakash Pabari	150	200.00	Bhavesh Prakash Pabari
4-Sep-07	Bhavesh Prakash Pabari	100	202.00	Bhavesh Prakash Pabari
5-Sep-07	Bhavesh Prakash Pabari	10	200.20	Bhavesh Prakash Pabari
12-Nov-07	Bhavesh Prakash Pabari	3000	203	Bhavesh Prakash Pabari
15-Nov-07	Bhavesh Prakash Pabari	2000	207.9	Bhavesh Prakash Pabari
16-Nov-07	Bhavesh Prakash Pabari	445	207.9	Bhavesh Prakash Pabari
27-Dec-07	Bhavesh Prakash Pabari	600	235	Bhavesh Prakash Pabari
27-Dec-07	Bhavesh Prakash Pabari	2500	239	Bhavesh Prakash Pabari

Self Trades by Hemant Sheth

ii. Hemant Sheth was involved in self trades for 87,555 shares during the period August 2006 to December 2007 . The details/instances of self trade executed by him are given under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
24-Aug-06	Hemant Sheth	1500	57.30	Hemant Sheth
30-Aug-06	Hemant Sheth	950	58.95	Hemant Sheth
1-Sep-06	Hemant Sheth	2900	55.45	Hemant Sheth
1-Sep-06	Hemant Sheth	100	55.45	Hemant Sheth
4-Sep-06	Hemant Sheth	12000	52.55	Hemant Sheth
4-Sep-06	Hemant Sheth	3000	52.25	Hemant Sheth
7-Sep-06	Hemant Sheth	3500	46.50	Hemant Sheth
8-Sep-06	Hemant Sheth	7000	47.70	Hemant Sheth
11-Oct-06	Hemant Sheth	1205	69.45	Hemant Sheth
7-Nov-07	Hemant Sheth	6000	199.5	Hemant Sheth
7-Nov-07	Hemant Sheth	500	202	Hemant Sheth
12-Dec-07	Hemant Sheth	10000	221.5	Hemant Sheth
18-Dec-07	Hemant Sheth	4400	218	Hemant Sheth
20-Dec-07	Hemant Sheth	11000	229	Hemant Sheth
20-Dec-07	Hemant Sheth	500	230	Hemant Sheth
20-Dec-07	Hemant Sheth	6500	229	Hemant Sheth
24-Dec-07	Hemant Sheth	6500	230.1	Hemant Sheth
27-Dec-07	Hemant Sheth	10000	239	Hemant Sheth

Self Trades by Anand Marathe

iii. The Noticee is involved in self trades for 7,982 shares on several dates during the period April 2007 to November 2007. The details of the same are as under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
30-Apr-07	Anand Marathe	100	83.00	Anand Marathe
11-May-07	Anand Marathe	115	93.35	Anand Marathe
17-May-07	Anand Marathe	500	100.00	Anand Marathe
17-May-07	Anand Marathe	500	100.00	Anand Marathe
18-May-07	Anand Marathe	15	100.10	Anand Marathe
11-Jun-07	Anand Marathe	30	108.05	Anand Marathe
5-Jul-07	Anand Marathe	300	140.10	Anand Marathe
13-Jul-07	Anand Marathe	100	170.10	Anand Marathe
16-Jul-07	Anand Marathe	799	180.60	Anand Marathe
31-Jul-07	Anand Marathe	21	193.05	Anand Marathe
24-Sep-07	Anand Marathe	35	227.75	Anand Marathe
30-Nov-07	Anand Marathe	1467	204	Anand Marathe
30-Nov-07	Anand Marathe	4000	202.5	Anand Marathe

Self Trades by Rakesh Singhvi

iv. Rajesh Sanghvi has indulged in self trades for 4,698 shares on several days during the period July 2006 to July 2007,

Trade Date	Name of the buyer	Qty	Price	Name of the seller
27-Jul-06	Rakesh Sanghivi	15	35.70	Rakesh Sanghivi
27-Jul-06	Rakesh Sanghivi	5	35.25	Rakesh Sanghivi
27-Jul-06	Rakesh Sanghivi	10	35.05	Rakesh Sanghivi
13-Oct-06	Rakesh Sanghivi	150	74.50	Rakesh Sanghivi
31-Oct-06	Rakesh Sanghivi	104	110.50	Rakesh Sanghivi
31-Oct-06	Rakesh Sanghivi	96	110.50	Rakesh Sanghivi
20-Dec-06	Rakesh Sanghivi	2	72.05	Rakesh Sanghivi
5-Jan-07	Rakesh Sanghivi	50	90.95	Rakesh Sanghivi
2-Feb-07	Rakesh Sanghivi	100	87.65	Rakesh Sanghivi
8-Mar-07	Rakesh Sanghivi	55	104.90	Rakesh Sanghivi
8-Mar-07	Rakesh Sanghivi	45	104.90	Rakesh Sanghivi
8-Mar-07	Rakesh Sanghivi	50	96.05	Rakesh Sanghivi
26-Mar-07	Rakesh Sanghivi	45	84.10	Rakesh Sanghivi
29-Mar-07	Rakesh Sanghivi	30	87.00	Rakesh Sanghivi
4-Apr-07	Rakesh Sanghivi	500	75.50	Rakesh Sanghivi
28-Jun-07	Rakesh Sanghivi	295	125.50	Rakesh Sanghivi
29-Jun-07	Rakesh Sanghivi	50	130.10	Rakesh Sanghivi
29-Jun-07	Rakesh Sanghivi	250	129.60	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	298	182.00	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	400	182.50	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	9	181.70	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	9	182.00	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	1	182.25	Rakesh Sanghivi
17-Jul-07	Rakesh Sanghivi	299	182.00	Rakesh Sanghivi
19-Jul-07	Rakesh Sanghivi	1200	183.00	Rakesh Sanghivi
20-Jul-07	Rakesh Sanghivi	98	188.95	Rakesh Sanghivi
20-Jul-07	Rakesh Sanghivi	332	188.50	Rakesh Sanghivi
27-Jul-07	Rakesh Sanghivi	200	187.50	Rakesh Sanghivi

v. It is observed that Rakesh Singhvi has not given any explanation in respect of the aforesaid instances of self trades executed by him during the investigation period, either in his reply dated February 17, 2014 nor during the personal hearing granted to him on September 10, 2014.

Self Trades by Rajesh Bhanushali

vi. Rajesh Bhanushali was involved in self trades for 7,578 shares on two different dates. The details of self trades executed by the Noticee are given under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
31-Aug-07	Rajesh Pravin Bhanushali	483	198.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	50	198.90	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	2000	199.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	34	199.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	250	199.75	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	54	199.50	Rajesh Pravin Bhanushali

31-Aug-07	Rajesh Pravin Bhanushali	650	200.00	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	10	200.60	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	425	200.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	900	200.00	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	25	200.00	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	5	200.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	500	201.50	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	5	201.70	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	25	200.00	Rajesh Pravin Bhanushali
31-Aug-07	Rajesh Pravin Bhanushali	495	199.00	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	150	199.60	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	250	199.50	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	4	199.35	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	346	199.35	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	300	199.50	Rajesh Pravin Bhanushali
3-Sep-07	Rajesh Pravin Bhanushali	75	199.50	Rajesh Pravin Bhanushali
5-Sep-07	Rajesh Pravin Bhanushali	250	201.35	Rajesh Pravin Bhanushali
6-Sep-07	Rajesh Pravin Bhanushali	292	198.50	Rajesh Pravin Bhanushali

Self Trades by Prem Parikh

vii. Prem Parikh was involved in self trades in market for 5200 shares on six different dates. The details/instances of self trades executed are given under:

Market (M)/Off-market (O)	Trade Date	Name of the buyer	Qty	Price	Name of the seller
M	22-Dec-06	Prem Mohanlal Parikh	500	78.90	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	325	91.00	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	200	91.00	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	475	91.00	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	1000	91.30	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	100	91.25	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	250	91.25	Prem Mohanlal Parikh
M	2-Jan-07	Prem Mohanlal Parikh	50	91.25	Prem Mohanlal Parikh
M	23-Nov-07	Prem Mohanlal Parikh	2000	205	Prem Mohanlal Parikh
M	23-Nov-07	Prem Mohanlal Parikh	300	205	Prem Mohanlal Parikh

Self trades by Shriprakash Sardesai

viii. The Noticee is involved in self trades for 30,300 shares (on market)on 3 three different dates (July 17, 2007, October 10, 2007 and November 6, 2007). The details of the self trades by the Noticee in market are as under:

Market (M)/Off-market (O)	Trade Date	Name of the buyer	Qty	Price	Name of the seller
M	17-Jul-07	Shriprakash Sardesai	15000	182.05	Shriprakash Sardesai
M	10-Oct-07	Shriprakash Sardesai	10000	225	Shriprakash Sardesai
M	6-Nov-07	Shriprakash Sardesai	5300	200.75	Shriprakash Sardesai

ix. Shriprakash Sardesai in his reply dated February 4, 2014 stated that these trades are coincidental and not deliberate. It is observed from the trade log data provided to the Noticee that on July 17, 2007 he had placed both buy and sell orders within a time difference of 5 seconds through two different stock brokers for the same quantity and at the same price. On October 10, 2007 he had placed only one buy order and one sell order within a time difference of 10 seconds through two different stock brokers for the same quantity and at the same price. Similarly, on November 6, 2007 the orders were placed within a time difference of 53 seconds in a synchronized manner. In view of this, the contention put forth by the Noticee that the matching of orders were coincidental cannot be accepted.

Self Trades by Vikram Jalan

x. The Noticee is involved in self trades for 27,343 shares during the period July 2006 to November 2006. A few instances of self trades executed by the Noticee are as under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
19-Jul-06	Vikram Jalan	10	27.80	Vikram Jalan
19-Jul-06	Vikram Jalan	5	27.40	Vikram Jalan
19-Jul-06	Vikram Jalan	5	27.50	Vikram Jalan
20-Jul-06	Vikram Jalan	5	28.95	Vikram Jalan
24-Jul-06	Vikram Jalan	3	31.80	Vikram Jalan
24-Jul-06	Vikram Jalan	58	32.00	Vikram Jalan
26-Jul-06	Vikram Jalan	25	33.50	Vikram Jalan
26-Jul-06	Vikram Jalan	39	33.55	Vikram Jalan
31-Jul-06	Vikram Jalan	202	38.75	Vikram Jalan
1-Aug-06	Vikram Jalan	2	39.50	Vikram Jalan
1-Aug-06	Vikram Jalan	75	41.00	Vikram Jalan
1-Aug-06	Vikram Jalan	1750	41.10	Vikram Jalan
2-Aug-06	Vikram Jalan	50	42.20	Vikram Jalan
2-Aug-06	Vikram Jalan	10	42.45	Vikram Jalan
2-Aug-06	Vikram Jalan	70	42.45	Vikram Jalan
3-Aug-06	Vikram Jalan	100	43.00	Vikram Jalan
3-Aug-06	Vikram Jalan	993	44.85	Vikram Jalan
3-Aug-06	Vikram Jalan	1	44.80	Vikram Jalan

Self Trades by Kishore Chauhan

xi. Kishore Chauhan was involved in self trades for totally 3,150 shares on two days. The details/instances of self trade executed by him are given under:

Trade Date	Name of the buyer	Qty	Price	Name of the seller
13-Nov-07	Kishor Balubhai Chauhan	700	214	Kishor Balubhai Chauhan
13-Nov-07	Kishor Balubhai Chauhan	100	214	Kishor Balubhai Chauhan
13-Nov-07	Kishor Balubhai Chauhan	850	204.9	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	500	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan
28-Nov-07	Kishor Balubhai Chauhan	100	200.5	Kishor Balubhai Chauhan

6.1 From the aforesaid tables, it is evident that all the nine Noticees had indulged in self trades on several days during the investigation period. The instances of self trades entered into by the said Noticees clearly indicate that the trades were executed by them with the fraudulent and manipulative intention to create artificial volume in the scrip of Crazy Infotech during the investigation period. As no proper explanation has been given by the Noticees and in view of the facts and circumstances of the case, it can be concluded that such self trades were indeed executed to manipulate the market.

6.2 Self trades *perse* are illegal and hence fictitious. The Hon'ble Securities Appellate Tribunal (SAT) has held in several cases that self trades call for punitive action since they are illegal by their very nature. Following are a few cases in respect of self trades decided by SAT:

- In Appeal No. 85/2011- ***M/s Marwadi Shares and Finance Limited Vs. SEBI 2012 Indlaw SAT 114*** , SAT held,

  ".....Self Trades by their very nature, are fictitious. .....Such transactions executed for and on behalf of the clients will fall within the definition of suspicious transactions having no economic rationale or bona fide purpose..."

- In M***/s. Jayantilal Khandwala & Sons Pvt. Ltd. vs. Securities and Exchange Board of India*** 2010 Indlaw MUM 521 (Appeal no. 24 of 2011 decided on June 8, 2011) SAT observed:

  "*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*".

- In ***H.J. Securities Pvt. Ltd. vs. SEBI*** (Appeal No. 76 of 2012 decided on 11.05.2012), Tribunal held that appellant may adopt any business model, but has to ensure that whatever business model is adopted, is in conformity with regulatory framework and Appellant was held guilty of violative of PFUTP Regulations.

6.3 It is also relevant to note that the Hon'ble Supreme Court recently dismissed an appeal (Civil Appeal No. 11899 of 2014) filed by Angel broking Pvt. Ltd., challenging SAT Order dated October 1, 2014 in Appeal No. 46 of 2014, ***Angel broking Pvt. Ltd. Vs. SEBI,*** wherein the entity was found guilty of having executed self trades at the behest of their clients in the scrip of Sterling Green Woods. In the SAT appeal, the entity had taken the plea that the self trades were due to jobbing/arbitrage nature of their business. The Hon'ble SAT, while rejecting the plea, quoted their own judgment in ***H.J. Securities Pvt. Ltd. vs. SEBI*** (mentioned in the preceding paragraph) that the appellant may adopt any business model, but has to ensure that whatever business model is adopted, it is in conformity with regulatory framework.

6.4 As has been observed earlier, self trades do not result in change in beneficial ownership of shares and are *per se* illegal. Indulging in self trades can only be for the purpose of artificially increasing the volume of trading in the scrip.In the instant case, in addition to the reversal/synchronized/off-market transactions, the Noticees Nos. 1 to 9 have also been charged in their respective SCNs as having indulged in self trades in the shares of Crazy Infotech on several occasions. It is observed that the Noticees, *viz.* Rakesh Singhvi, Shriprakash Sardesai and Vikram Jalan, failed to give any satisfactory explanation for indulging in self trades, during the course of investigation or in their replies filed before SEBI or during the course of personal hearing.

7. Taking in view the facts and circumstances as explained above, I find that the said charge of self trades has been conclusively proved against the Noticees No. 1 to 9 and such fraudulent transactions undertaken by the Noticees Nos. 1 to 9, in the scrip of Crazy Infotech by entering into self trades with no intention of transfer of beneficial ownership in the scrip *per se* are illegal and are in violation of Regulation 3 (a), 4(1), 4(2)(a), & (g) of PFUTP Regulations, 2003.

7.1 It is observed from the records that one of the above 9 Noticees, Mr. Kishore B Chauhan had expired on May 29, 2013. The death certificate of the Noticee was forwarded to SEBI by his wife, vide letter dated January 17, 2014. In view of this, the proceedings in respect of Mr. Kishore B Chauhan stand abated.

8. The proceedings in the instant matter had commenced pursuant to the issuance of separate SCNs dated November 7, 2012 to all the 42 *connected entities*. Thereafter, an opportunity of personal hearing was granted to all the 42 entities on various dates *i.e* February 5, 2014 and September 10, 2014. Having regard to the fact that all the 9 Noticees were charged with manipulation of price and volume in the scrip by executing reversed, synchronized trades amongst themselves and self trades, during the investigation period, a consolidated view in the instant proceedings was possible only on completion/conclusion of hearings in respect of all the Noticees who had indulged in reversed/synchronized and self trades during the investigation period and thereafter, examination and consideration of each of their replies (wherever made) to the SCNs issued to them.

Order-

9. In view of the forgoing, I, in exercise of the powers conferred upon me by virtue of Section 19 read with Section 11 and 11B of the SEBI Act, 1992 and Regulation 11 of the PFUTP Regulations, 2003, hereby-

i. *warn Noticees Nos. 1 to 8 and Noticees Nos. 10 to 42 to be cautious in their future dealings and exercise due care and diligence in the conduct of their dealings as participants in the securities market (for the reasons mentioned at Paragraph No. 5.1above),*

ii. *restrain Noticees No. 1 to 8, Mr. Bhavesh Prakash Pabari (PAN: AKGPP8679N), Mr. Hemant M Sheth (PAN: ANOPS8607E), Mr. Anand Kalu Rapu Marathe (PAN: AKWPM0699M), Mr. Rakesh Parasmal Singhvi (PAN: BCQPS0499L), Mr. Rajesh Pravin Bhanushali (PAN: AABPB2744H),*

Mr.Prem Mohanlal Parikh (PAN: ALHPP3489N), Mr. Shriprakash Vinaykumar Sardesai (PAN:AMYPS0171J) and Mr. Vikram Damodar Jalan (PAN: AGTPJ5257D) from accessing the securities market and further prohibit them from buying, selling or dealing in securities market, directly or indirectly, for a period of two years,

iii. *dispose of the SCN dated November 7, 2012 issued against Noticee No. 9, Mr. Kishore B. Chauhan (PAN: AFPPC9703G) without any directions (in view of the reason mentioned at Paragraph No. 7.1, above),*

10. This Order shall come into force with immediate effect.

11. The copy of the said Order shall be forwarded to the concerned Stock Exchanges and Depositories.

Place: Mumbai
Date: February 10, 2015

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA