BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. EAD-7/BJD/NJMR/182-216/2018-19

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

In respect of:

1. Benko Trading Private Ltd., (*Presently known as GGF Mercantile Private Ltd.,)* *(PAN: AAACB3323L)* Office No. 24, 3rd Floor Onlooker Building, Sir P M Road Fort, Mumbai – 400001.	2. Parmar Vaishali Ashvin *(PAN: BFGPP8793B)* 784, Shastri Kunj, LIG Housing Board, Near Shivam Society Laxmipura Road Vadodara – 390016.
3. Anand Finstock Services Ltd., *(PAN: AABCA6413F)* Shop No. 1, Sagar Samrat CHS Times of India Road, Vejalpur Ahmedabad – 380051.	4. Sanjay Kantibhai Baria *(PAN: ANFPB6460K)* 8, Navdurga Society Nazampura Vadodara – 390002.
5. Laxman Dhirubhai Parmar *(PAN: ASNPP5380P)* 784, Shastri Kunj, LIG Housing Board, Near Shivam Society Laxmipura Road Vadodara – 390016.	6. Vipul Hiralal Shah *(PAN: AZCPS9537P)* B/16, Gurukrupa, Plot no. 164 Opp: Garodia International School, Ghatkopar (East) Mumbai – 400077.
7. Navaneetlal Jeevanlal Gandhi *(PAN: ACTPG8728N)* B37, Parivar Society Vibhag 2 Near Mahesh Complex Waghodia Road Vadodara – 390019.	8. Padmini (Padmaja) Dilipsinh Barot *(PAN: AKSPB6239L)* E/16, Bakor Nagar Society Nr. Muktanand Bus Stand Karelibaug, Vadodara – 390018.
9. Bharatkumar Baldevbhai Parmar *(PAN: ARTPP9101B)* 106, Nilkanth Plaza Above Honest Restaurant Bhatta, Paldi Ahmedabad – 380007.	10. Mayank N Gandhi *(PAN: AKCPG0246Q)* B37, Parivar Society Vibhag 2 Near Mahesh Complex Waghodia Road Vadodara – 390019.
11. Ashokkumar Bhikhalal Parmar *(PAN: AOJPP8746B)* Chhela Faliya Near Sardar Nagar Society Nizampura, Vadodara – 390002.	12. Amisha Samir Patel *(PAN: AUVPP1737C)* A-141, Jay Yogeshwar Society Near Sama Bus Stand, Sama Vadodara – 390008.
13. Ragini Bipinbhai Thakkar *(PAN: ABLPT5138N)*	14. Janaki Bipin Thakkar *(PAN: ACUPT4254J)*

10-C, Prakash Park Society Opp: Panigate Petrol Pump Panigate, Vadodara – 390019.	10-C, Prakash Park Society Opp: Panigate Petrol Pump Panigate, Vadodara – 390019.
15. Jikeshkumar Kanubhai Patel *(PAN: ATGPP8903L)* 15, Paraskung Society R V Desai road, Pratap Nagar Vadodara – 390001.	16. Parmar Kamlaben D *(PAN: BFEPP8216H)* 784, Shastri Kunj, LIG Housing Board, Near Shivam Society Laxmipura Road Vadodara – 390016
17. Pandya Yaminiben M *(PAN: APFPP6166F)* 9, Darshan Apartment Kansara Pole, Chokhandi Vadodara – 390017.	18. Tushar Rameshbhai Patel *(PAN: AFVPP7625L)* 6/61, Poojan Apartment Behind Jivraj Mehta Hospital Opp: Lavanay Society, Vasna Ahmedabad – 380007.
19. Pravinbhai Harmanbhai Patel *(PAN: AHEPP7710M)* G/21, Shreekanth Park Behind Krishna Lila Society Harni Warasia Ring road Vadodara – 390006.	20. Aditi M Gandhi *(PAN: AKCPG0247R)* B37, Parivar Society Vibhag 2 Near Mahesh Complex Waghodia Road Vadodara – 390019.
21. Shobhnaben R Parmar *(PAN: ASNPP5381N)* 252, J P Nagar Opp: Kisanwadi Police Station Ajwa Road, Vadodara – 390019.	22. Niol Impex Private Ltd., *(PAN: AACCN6743J)* 208, Bansi Trade Centre Indore – 452001.
23. Rameshbhai V Parmar *(PAN: ASQPP5072M)* 252, J P Nagar Opp: Kisanwadi Police Station Ajwa Road, Vadodara – 390019.	24. Jayvishal Dilipsinh Barot *(PAN: ALVPB3463C)* E/16, Bakor Nagar Society Nr. Muktanand Bus Stand Karelibaug, Vadodara – 390018.
25. Acme Furniture Private Ltd., *(PAN: AAICA1324L)* 4/4/1, Nayapura Behind New Siyaganj Opp: Gurukripa Hostel Indore – 452001.	26. Garima Bhandari *(PAN: AMDPB1159N)* 201, Oasis Tower Yeshwant Niwas Road Indore – 452021.
27. Kaushik Rajnikant Mehta *(PAN: ANNPM6298A)* 149/4086, Saidham CHS Near Saibab Temple Pant Nagar, Ghakopar East Mumbai – 400075.	28. Sunil Bhandari *(PAN: ALZPB5747M)* B-201, Wembley Estate Opp: Rosewood City Sector 49-50, Sonha Road Gurgaon – 122002.
29. Santosh Vishram Ghadshi *(PAN: AHNPG0002C)*	30. Hardik Maheshbhai Pandya *(PAN: ARJPP6330Q)*

Room No. 3, Nana Smruti Telkushwadi Dombivali West – 421202.	9, Darshan Apartment Kansara Pole, Chokhandi Vadodara – 390017
31. Jayesh Kuwadia *(PAN: AJIPK6004D)* Flat No. 5/6, Plot No. 13 Daksha CHS, V B Lane Ghatkopar (East) Mumbai – 400077.	32. Suresh Devendra Gupta *(PAN: ALLPG9738R)* Room No. 1, Ram Das Niwas Marol Naka, Chimat Pada Andheri (East),Mumbai – 400059.
33. Avinash Bothra *(PAN: AKFPB9350B)* 1/1, Dr. R S Bhandari Marg Marg, Indore – 452001.	34. Pannalal Ukaram Prajapati *(PAN: AQIPP7482K)* J/103, Building No. 2 Sumer Nagar, Borivali West Mumbai – 400092.
35. Dipika Dinesh Kankaria *(PAN: AZGPK7183F)* A/903, Anand Milan Tower Shahi Baug Ahmedabad – 380004.	

In the matter of Shakti Pumps (India) Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) conducted an investigation into the trading irregularities in the scrip of Shakti Pumps (India) Ltd., **(SPIL)** during the period February 1, 2010 to July 30, 2010 (hereinafter referred to as "**Investigation Period"**) to ascertain any possible violation of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (*hereinafter referred to as PFUTP Regulations*) by certain connected entities.

2. Pursuant to investigation, it was observed by SEBI that the Noticees listed above, who were connected to each other by one way or the other, had dealt in the scrip of SPIL, in a fraudulent and manipulative manner and created artificial volume in the scrip of SPIL by way of synchronized trades, reversal trades and self-trades and contributed to price rise in the scrip fraudulently by trading among themselves at a price higher than the Last Traded Price (LTP), manipulating the first trades of

the day and establishing New High Price (NHP). Therefore, it was alleged that the Noticees have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003.

FACTS OF THE CASE

3. The shares of SPIL were traded in BSE. The price movement of SPIL scrip in BSE, before, during and after the investigation period is summarized below:

Details	Open (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)	Total Traded Volume	Average Traded Volume
Three Month Prior – November 01, 2009 to January 31, 2010	(86.15) November 03, 2009	(141.65) January 06, 2010	(86.15) November 03, 2009	(110.80) January 29, 2010	10,68,621	17,810.35 (60 days)
Investigation Period – February 01, 2010 to July 30, 2010	(116.30) February 01, 2010	(339.40) July 23, 2010	(116.00) February 01, 2010	(280.90) July 30, 2010	2,32,81,634	1,84,774.87 (126 days)
Three month After – August 01, 2010 to October 31, 2010	(282.10) August 02, 2010	(287.50) August 02, 2010	(149.75) October 29, 2010	(151.05) October 29, 2010	47,40,469	74,069.83 (64 days)

4. During the Investigation period, Sensex moved from 16,356.03 points to 17868.29 points by registering an increase of 9.25% while closing price of Shakti Pumps increased approximately by 141.53% during the same period.

5. It was observed that certain entities who are connected to each other were found to be actively trading in the scrip of SPIL by indulging in creation of artificial volume and price manipulation. The details of connection among the connected entities are furnished hereunder.

Sl. No.	Client Name	Sl. No.	Client Name
1	Amar Premchand Walmiki – • Off market transfers with sl. no. 7, 1, 12, 48, 38, 41, 17, 18, 30, 15, 9. • Fund transfer with sl. no. 42, 41, 37, 13, 3	29	Bhupesh Harishchandra Rathod – • Fund movement with Bhavesh Pabari and Bhavesh Pabari is having fund movement with Amar Premchand Walmiki – sl. no. 1
2	Ashokkumar Bhikhalal Parmar – • Off market transfers with sl. no. 7, 44, 38, 3, 6, 9, 16, 23. • Fund transfer with sl. no. 40,	30	Chandrakant Bhiva Gavade – • Off market transfers with sl. no. 1.

3	Hardik Maheshbhai Pandya – • Off market transfers with sl. no. 36, 8, 41, 2, 34, 3, 9. • Fund transfer with sl. no.1, 6, 11, 18	31	Dipika Dinesh Kankaria – • Off market transfers with 38, 36, 26, 6, 70.
4	Jignesh Chandrakant Shah – • Off market transfers with sl. no. 36, 8, 40.	32	Jayesh Kuwadia – • Off market transfer with Bhavesh Pabari in the scrip of Gemstone Investments Ltd. on July 04, 2007 and Bhavesh Pabari is having fund transfer with Amar Premchand Walmiki – sl. no.1.
5	Nareshbhai Devabhai Patel – • Off market transfers with sl. no. 42, 7, 12, 38 • Fund transfer with sl. no. 40,	33	Kaushik Rajnikant Mehta – • Off market transfers with sl. no. 33, 49.
6	Shobhnaben R Parmar – • off market transfers with sl. no. 45, 38, 26, 2, 13, 15, 6, 9, 31. • Fund transfer with sl. no. 36, 3, 15, 11, 19, 9, 13	34	Pannalal Ukaram Prajapati – • Off market transfers with sl. no. 38, 3.
7	Pradeep kumar Jasbhai Patel – • Off market transfer with sl. no. 1, 38, 39, 5, 2	35	Parmar Vaishali Ashvin - • Off market transfers with sl. no. 38 15.
8	Pravinbhai Harmanbhai Patel – • Off market transfer with sl. no. 42, 12, 38, 4, 26, 3	36	Rakesh Gokulbhai Patel – • Off market transfer with sl. no. 38, 4, 18, 20, 3, 28, 11, 23, 31. • Fund transfer with sl. no.6, 11, 18, 40,
9	Rameshbhai V Parmar – • Off market transfers with sl. no. 42, 1, 12, 38, 26, 2, 13, 3, 15, 6, 9. • Fund transfer with sl. no.6.	37	Rekha Bhandari – • Is the wife of Sunil Bhandari (Sl. No. 46). • Fund transfer with sl. 1, 3.
10	Shreedhar Yellaiah Kodam – • Off market transfers with sl. no. 41, 49.	38	Samir Sureshchandra Shah – • Off market transfer with sl. no. 27, 60, 42, 7, 1, 21, 12, 48, 36, 39, 8, 41, 43, 17, 18, 26, 25, 5, 40, 2, 13, 34, 28, 15, 11, 6, 9, 23, 49, 31, 14, 35.
11	Laxman Dhirubhai Parmar – • Off market transfers with sl. no. 38, 36, 18, 13, 15, 16. • Fund transfer with sl. no. 36, 3, 18, 42, 13, 6	39	Samirkumar Kanubhai Patel – • Off market transfer with sl. no. 7, 38, 16. • Fund transfer with sl. no. 40,
12	Navaneetlal Jeevanlal Gandhi – • Off market transfer with sl. no. 1, 38, 8, 47, 5, 9,	40	Sanjay Kantibhai Baria - • Off market with sl. no. 38, 4. • Fund transfer with sl. no. 42, 5, 36, 39, 23, 2
13	Pandya Yaminiben M – • Off market transfers with sl. no. 21, 38, 13, 15, 11, 6, 9. • Fund transfer with sl. no.1, 6, 11.	41	Santosh Vishram Ghadshi – • Off market transfer with sl. no. 1, 38, 3, 10. • Fund transfer with sl. no.1
14	Parmar Kamlaben D – • Off market transfer with sl. no. 38.	42	Samir Sureshbhai Shah huf – • Off market transfer with sl. no. 38, 8, 18, 5, 9, 16, 23. • Fund transfer with sl. no. 3, 13, 11, 1, 41, 23, 5, 2, 15, 39, 16, 36, 6, 9, 20, 18, 40.
15	Dhirubhai Antolbhai Parmar – • Off market transfers with sl. no. 1, 38, 13, 11, 6, 9, 35.	43	Shalin Kiritkumar Parikh – • Off market transfer with sl. no. 38

	• Fund transfer with sl. no.6.		
16	Jikeshkumar Kanubhai Patel – • Off market transfer with sl. no. 42, 39, 2, 11, 16.	44	Shantadevi – • Off market transfer with sl. no. 2,
17	Mayank N Gandhi – • Off market transfers with sl. no. 1, 38, 18 • Fund transfer with sl. no. 18.	45	Shanti Vinimay Pvt Ltd – • Off market transfer with sl. no. 6.
18	Aditi M Gandhi - • Off market transfers with sl. no. 42, 1, 21, 38, 36, 17, 11. • Fund transfer with sl. no. 42, 17, 36, 3, 11	46	Sunil Bhandari – • Off market with sl. no. 46.
19	Padmini Dilipsinh Barot - • Have same address viz.E-16, Bakornagar Soc, Nr-Muktanand Bus Stand Karelibaug Vadodara Gujarat 390018 India with sl. no. 20. Introduced by Hardik Maheshbhai Pandya (sl. no. 3) as per KYC submitted by VSE Stock Services Ltd. and knows sl. no. 38 who is a sub-broker. • Fund transfer with sl. no.6.	47	Suresh Devendra Gupta – • Off market with sl. no. 12.
20	Jayvishal Dilipsinh Barot – • Off market transfer with sl. no. 36 and has fund movement with Samir Sureshbhai Shah huf (Sl. No. 42) on January 21, 2011 as it is observed in sl. no. 42 account no. 13010200030533. • Sl. no. 20 have same address viz.E-16, Bakornagar Soc, Nr-Muktanand Bus Stand Karelibaug Vadodara Gujarat 390018 INDIA with sl. no. 19. Introduced by Hardik Maheshbhai Pandya (sl. no. 3) as per KYC submitted by VSE Stock Services Ltd. and knows sl. no. 38 who is a sub-broker.	48	Tushar Rameshbhai Patel – • Off market transfer with sl. no. 1, 38, 28.
21	Ragini Bipinbhai Thakkar – • Off market transfer with sl. no. 38, 18, 13. • Introduced by Hardik Maheshbhai Pandya (sl. no. 3) as per KYC submitted by VSE Stock Services Ltd. and knows sl. no. 38 who is a sub-broker.	49	Vipul Hiralal Shah – • Off market with sl. no. 38, 33, 49, 10.
22	Janaki Bipin Thakkar – • Off market transfer with sl. no. 20 on October 18, 2010 in the scrip of Well Pack.	50	Acme Furniture Private Limited – • Acme Furniture entered into off market transfer with Kamlesh Nahar, director of Acme Furniture on 28/06/2010 who entered into off market transfer with Dipika Dinesh Kankaria (sl. no. 31) on 19/02/2010 Dipika Dinesh Kankaria entered into off market transfer with Shobhnaben D Parmar (sl. no. 6), an entity part of Pabari Group on 06/04/2010
23	Amisha Samir Patel – • Off market transfer with sl. no. 42, 38, 36, 2. • Fund transfer with Sanjay Kantibhai Baria – sl. no. 40,	51	Sunil Maloo And Sons Huf – • Sunil Maloo And Sons entered into off market transfer with Avinash Bothra (sl. no. 26) on 03/06/2010, who entered into

			• off market transfer with Dipika Kankaria (sl. no. 31) on 08/04/2010 who and with Ramesh V Parmar (sl. no. 9), an entity part of Bhaveh Pabari Group on 08/04/2010.
24	Anand Finstock Services Ltd – • Fund movement with Samir Sureshbhai Shah huf (Sl. No. 42) on January 30, 2010 as it is observed in sl. no. 42 account no. 13010200030533.	52	Garima Bhandari – • Entered into off market transfer with Kamlesh Nahar, director of Acme Furniture on 19/02/2010
25	Anil Saini – • Off market transfer with sl. no. 38, 25.	53	Niol Impex Private Limited – • Off market transfer with 38. Entered into off market transfer with Kamlesh Nahar, director of Acme Furniture on 22/01/2010 and 28/01/2010
26	Avinash Bothra – • Off market transfer with sl. no. 38, 8, 6, 9, 31.	54	Ashok Kumar – • Entered into off market transfer with Dharmendra Viswakarma on 25/03/2010, who entered into off market transfer with Garima Bhandari on 25/02/2010.
27	Benko Trading Private Limited - • Off market transfer with sl. no. 27, 38, 28,	55	Narendra Panwar – • Off market with sl. no. 56, 31. • Narendra Panwar Entered into off market transfer with Dipika Kankaria (sl. no. 31) on 26/03/2010, and with Santosh Kochale (sl. no. 56) on 05/04/2010.
28	Bharatkumar Baldevbhai Parmar – • Off market transfer with sl. no. 27, 48, 38, 36, 28.	56	Kochale Santosh – • Off market with sl. no. 55. • Narendra Panwar (sl. no. 55) entered into off market transfer with Dipika Kankaria (sl. no. 31) on 26/03/2010, and with Santosh Kochale on 05/04/2010.

6. During the period of investigation, there were 1,30,953 trades carried out for total of 2,32,81,634 shares in the scrip of Shakti Pumps. The details of total buy and total sale of connected entities, as percentage of total traded quantity, are given below:

No. of connected entities	Total Buy	% of total buy to total traded volume	Total Sale	% of total sale to total traded volume
56	98,38,247	42.26	96,35,082	41.38

7. It was observed from the Price volume data that the scrip was traded on 126 trading days during the investigation period. Out of 126 trading days the connected entities traded among themselves on 102 days, i.e. 80.95% of the total no., of days the scrip was traded during the period under investigation

8. It was observed that the connected entities contribution to daily market volume ranged from 6.05% on February 18, 2010 to 95.98% on June 08, 2010. Out of the 126 trading days the connected entities traded among themselves, on 24 trading days and contributed more than 50% of the total traded volume.

9. The trading details of connected entities are given below:

Sl. No.	Client Name	Total Buy	% of total buy to total traded volume	Total Buy within the group	% of Total Buy within group to total traded volume	% of total buy within group to total buy	Total Sale	% of total sale to total traded volume	Total Sale within the group	% of Total sale within group to total traded volume	% of total sale within group to total sale
1	Amar Premchand Walmiki	464550	2.00	329896	1.42	71.01	371659	1.60	159143	0.68	42.82
2	Ashokkumar Bhikhalal Parmar	237454	1.02	182137	0.78	76.70	236454	1.02	211695	0.91	89.53
3	Hardik Maheshbhai Pandya	292454	1.26	271327	1.17	92.78	232454	1.00	207674	0.89	89.34
4	Jignesh Chandrakant Shah	105215	0.45	82863	0.36	78.76	105210	0.45	83797	0.36	79.65
5	Nareshbhai Devabhai Patel	49020	0.21	33094	0.14	67.51	49020	0.21	31306	0.13	63.86
6	Shobhnaben R Parmar	547323	2.35	158247	0.68	28.91	547220	2.35	277745	1.19	50.76
7	Pradeep kumar Jasbhai Patel	37671	0.16	25475	0.11	67.62	37599	0.16	29649	0.13	78.86
8	Pravinbhai Harmanbhai Patel	93041	0.40	88860	0.38	95.51	93036	0.40	90263	0.39	97.02
9	Rameshbhai V Parmar	194312	0.83	109243	0.47	56.22	199883	0.86	103915	0.45	51.99
10	Shreedhar Yellaiah Kodam	65000	0.28	53750	0.23	82.69	64500	0.28	54349	0.23	84.26
11	Laxman Dhirubhai Parmar	511447	2.20	207092	0.89	40.49	507608	2.18	245270	1.05	48.32
12	Navaneetlal Jeevanlal Gandhi	48573	0.21	32123	0.14	66.13	48553	0.21	35210	0.15	72.52
13	Pandya Yaminiben M	342104	1.47	257807	1.11	75.36	341387	1.47	247415	1.06	72.47
14	Parmar Kamlaben D	465833	2.00	165740	0.71	35.58	465765	2.00	249947	1.07	53.66
15	Dhirubhai Antolbhai Parmar	95479	0.41	72276	0.31	75.70	94267	0.40	91100	0.39	96.64
16	Jikeshkumar Kanubhai Patel	66410	0.29	41900	0.18	63.09	66481	0.29	66475	0.29	99.99
17	Mayank N Gandhi	471231	2.02	183272	0.79	38.89	470741	2.02	193435	0.83	41.09
18	Aditi M Gandhi	301422	1.29	104121	0.45	34.54	301422	1.29	146487	0.63	48.60
19	Padmini Dilipsinh Barot	149436	0.64	109792	0.47	73.47	148969	0.64	95788	0.41	64.30
20	Jayvishal Dilipsinh Barot	86228	0.37	65904	0.28	76.43	86228	0.37	71457	0.31	82.87
21	Ragini Bipinbhai Thakkar	174539	0.75	120819	0.52	69.22	175344	0.75	134903	0.58	76.94
22	Janaki Bipin Thakkar	53779	0.23	44542	0.19	82.82	51680	0.22	29388	0.13	56.87
23	Amisha Samir Patel	125936	0.54	90250	0.39	71.66	125715	0.54	79645	0.34	63.35
24	Anand Finstock Services Ltd	506475	2.18	158424	0.68	31.28	506475	2.18	274156	1.18	54.13
25	*Anil Saini*	*400*	*0.00*	*0*	*0.00*	*0.00*	*0*	*0.00*	*0*	*0.00*	*0.00*
26	Avinash Bothra	62000	0.27	17982	0.08	29.00	62000	0.27	39058	0.17	63.00

27	Benko Trading Private Limited	827706	3.56	445921	1.92	53.87	828052	3.56	301480	1.29	36.41
28	Bharatkumar Baldevbhai Parmar	53748	0.23	13466	0.06	25.05	52403	0.23	16325	0.07	31.15
29	*Bhupesh Harishchandra Rathod*	*100*	*0.00*	*0*	*0.00*	*0.00*	*100*	*0.00*	*0*	*0.00*	*0.00*
30	*Chandrakant Bhiva Gavade*	*5000*	*0.02*	*0*	*0.00*	*0.00*	*0*	*0.00*	*0*	*0.00*	*0.00*
31	Dipika Dinesh Kankaria	85695	0.37	76478	0.33	89.24	85695	0.37	76791	0.33	89.61
32	Jayesh Kuwadia	10636	0.05	5646	0.02	53.08	9486	0.04	3918	0.02	41.30
33	Kaushik Rajnikant Mehta	70176	0.30	65998	0.28	94.05	70043	0.30	35736	0.15	51.02
34	Pannalal Ukaram Prajapati	5000	0.02	450	0.00	9.00	0	0.00	0	0.00	0.00
35	Parmar Vaishali Ashvin	637473	2.74	305642	1.31	47.95	637397	2.74	298477	1.28	46.83
36	Rakesh Gokulbhai Patel	28987	0.12	28485	0.12	98.27	28987	0.12	28610	0.12	98.70
37	Rekha Bhandari	37000	0.16	26238	0.11	70.91	37000	0.16	10563	0.05	28.55
38	Samir Sureshchandra Shah	56765	0.24	48289	0.21	85.07	58011	0.25	19050	0.08	32.84
39	Samirkumar Kanubhai Patel	31500	0.14	30632	0.13	97.24	0	0.00	0	0.00	0.00
40	Sanjay Kantibhai Baria	568141	2.44	401783	1.73	70.72	568141	2.44	364390	1.57	64.14
41	Santosh Vishram Ghadshi	370300	1.59	324734	1.39	87.69	370821	1.59	318027	1.37	85.76
42	*Samir Sureshbhai Shah HUF*	*5000*	*0.02*	*0*	*0.00*	*0.00*	*5000*	*0.02*	*1000*	*0.00*	*20.00*
43	Shalin Kiritkumar Parikh	22701	0.10	10579	0.05	46.60	22701	0.10	1179	0.01	5.19
44	Shantadevi	1900	0.01	617	0.00	32.47	500	0.00	0	0.00	0.00
45	*Shanti Vinimay Pvt Ltd*	*1500*	*0.01*	*0*	*0.00*	*0.00*	*1500*	*0.01*	*0*	*0.00*	*0.00*
46	Sunil Bhandari	133585	0.57	37515	0.16	28.08	131573	0.57	63615	0.27	48.35
47	Suresh Devendra Gupta	34753	0.15	5692	0.02	16.38	34753	0.15	24102	0.10	69.35
48	Tushar Rameshbhai Patel	64130	0.28	55255	0.24	86.16	64130	0.28	57611	0.25	89.83
49	Vipul Hiralal Shah	291000	1.25	206416	0.89	70.93	291000	1.25	219296	0.94	75.36
50	Acme Furniture Private Limite	52895	0.23	37695	0.16	71.26	52895	0.23	42840	0.18	80.99
51	Sunil Maloo And Sons Huf	9506	0.04	6000	0.03	63.12	9506	0.04	9506	0.04	100.00
52	Garima Bhandari	89811	0.39	64300	0.28	71.59	89811	0.39	82467	0.35	91.82
53	Niol Impex Private Limited	120187	0.52	98549	0.42	82.00	120187	0.52	85743	0.37	71.34
54	Ashok Kumar	230943	0.99	87852	0.38	38.04	230943	0.99	63054	0.27	27.30
55	Narendra Panwar	230239	0.99	77563	0.33	33.69	230239	0.99	74589	0.32	32.40
56	Kochale Santosh	214538	0.92	59538	0.26	27.75	214538	0.92	80630	0.35	37.58
Total		9838247	42.26	5528269	23.75	56.19	9635082	41.38	5528269	23.75	57.38

Out of 56 connected entities, 52 entities traded 55,28,269 shares accounting for 56.19% of the total buy within the connected entities to total buy and 57.38% of total sale within the connected entities to total sale and 23.75% of total buy within the connected entities to total traded volume.

10. **Synchronized Trades -** Synchronized trades are trades in which the difference between buy order time and sell order time is less than or equal to 60 seconds and there is no difference between buy order rate and sell order rate as well as no difference between buy order quantity and sell order quantity.

11. Out of the total trading of 55,28,269 shares within the connected entities, it was observed that 4,97,925 shares accounting for 9% of their total traded volume

which is 2.14% of the total market volume, the buy and sale orders were placed in synchronised manner (i.e. difference between placement of order by buyer and seller within one minute and order rate as well as order quantity of buy side and sale side being same). It was observed that out of 126 trading days, on 46 trading days the trades executed by the connected entities were synchronised in nature. It was also observed that by executing synchronised trades among the connected entities, connected entities contribution to total market volume ranged from 2.33% on February 19, 2010 to 73.33% on June 02, 2010. It was also observed that on 2 trading days by entering into synchronised trading the connected entities contributed more than 50% of the market volume.

12. The summary of the synchronised trades by the connected entities is given below:

Sl. No.	PAN	Client Name	Total Buy synchronised trades	% to total buy synchronised to total traded volume	% of total buy synchronised trades to total buy	Total Sale synchronised trades	% of total sale synchronised trade to total traded volume	% of total sale synchronised trades to total sale
1	AOJPP8746B	Ashokkumar Bhikhalal Parmar	2000	0.01	0.84	0	0.00	0.00
2	ASNPP5381N	Shobhnaben R Parmar	10	0.00	0.00	2982	0.01	0.54
3	AAPPP2610J	Pradeep kumar Jasbhai Patel	0	0.00	0.00	2000	0.01	5.32
4	ASNPP5380P	Laxman Dhirubhai Parmar	11668	0.05	2.28	0	0.00	0.00
5	APGPP6166F	Pandya Yaminiben M	0	0.00	0.00	11668	0.05	3.42
6	BFEPP8216H	Parmar Kamlaben D	0	0.00	0.00	4386	0.02	0.94
7	AKCPG0247R	Aditi M Gandhi	1825	0.01	0.61	1000	0.00	0.33
8	AKSPB6239L	Padmini Dilipsinh Barot	0	0.00	0.00	1918	0.01	1.29
9	ABLPT5138N	Ragini Bipinbhai Thakkar	386	0.00	0.22	0	0.00	0.00
10	AABCA6413F	Anand Finstock Services Ltd	0	0.00	0.00	33100	0.14	6.54
11	AKFPB9350B	Avinash Bothra	1980	0.01	3.19	2000	0.01	3.23
12	AAACB3323L	Benko Trading Private Limited	1918	0.01	0.23	0	0.00	0.00
13	AZGPK7183F	Dipika Dinesh Kankaria	11694	0.05	13.65	15000	0.06	17.50
14	ANNPM6298A	Kaushik Rajnikant Mehta	15000	0.06	21.37	15000	0.06	21.42
15	BFGPP8793B	Parmar Vaishali Ashvin	0	0.00	0.00	9079	0.04	1.42

16	AGPPP7771C	Rakesh Gokulbhai Patel	0	0.00	0.00	1825	0.01	6.30
17	ALHPB9175D	Rekha Bhandari	9079	0.04	24.54	0	0.00	0.00
18	AGEPS0157L	Samir Sureshchandra Shah	3290	0.01	5.80	0	0.00	0.00
19	ANFPB6460K	Sanjay Kantibhai Baria	9958	0.04	1.75	0	0.00	0.00
20	AHNPG0002C	Santosh Vishram Ghadshi	4000	0.02	1.08	0	0.00	0.00
21	ALZPB5747M	Sunil Bhandari	2972	0.01	2.22	0	0.00	0.00
22	AZCPS9537P	Vipul Hiralal Shah	34852	0.15	11.98	15000	0.06	5.15
23	AAICA1324L	Acme Furniture Private Limite	36195	0.16	68.43	37650	0.16	71.18
24	AAMHS0289R	Sunil Maloo And Sons Huf	6000	0.03	63.12	9506	0.04	100.00
25	AMDPB1159N	Garima Bhandari	44300	0.19	49.33	72980	0.31	81.26
26	AACCN6743J	Niol Impex Private Limited	96049	0.41	79.92	85743	0.37	71.34
27	BAFPK5312M	Ashok Kumar	77549	0.33	33.58	48319	0.21	20.92
28	AYWPP7550N	Narendra Panwar	70350	0.30	30.56	61089	0.26	26.53
29	ARHPK6950D	Kochale Santosh	56850	0.24	26.50	67680	0.29	31.55
Grand Total			4,97,925	2.14	5.06	4,97,925	2.14	5.17

13. From the above table, synchronized trades among the connected entities is 2.14% of the total traded volume. Out of these 29 entities trades of 21 entities has also resulted into net impact on price rise.

14. Therefore it was alleged that the connected entities (i.e. Noticees at Sl. no. 1 – 6, 8, 11, 13, 16, 17, 20 – 22, 25 – 29, 33 & 35) indulged in synchronised trading among themselves resulting in no change of beneficial ownership and thus created artificial volume in the scrip and gave false and misleading appearance of trading in the scrip.

15. **Reversal Trades -** The group entities were engaged in doing reversal trades by reversing their buy or sell positions with subsequent sell or buy trades on the same day with same counter party. It was observed that the connected entities had entered into reversal trades, the details of which are furnished hereunder.

No. of entities executed reversal trades	No. of reversal trades	Total traded quantity	Total reversed quantity	% of total reversed quantity to total traded quantity	% of total reversed quantity to total traded quantity during the

					investigation period
25 entities	181	481600	150689	31.29	0.65

16. The details of reversal trades date-wise are given below:

Trade date	Buy Client	Sale Client	No. of trades	Total traded quantity	Total reversed quantity
19/02/2010	Pradeep kumar Jasbhai Patel	Ashokkumar Bhikhalal Parmar	4	7975	5399
19/02/2010	Ashokkumar Bhikhalal Parmar	Pradeep kumar Jasbhai Patel	4	5399	
19/02/2010	Rakesh Gokulbhai Patel	Shobhnaben R Parmar	1	2000	1501
19/02/2010	Shobhnaben R Parmar	Rakesh Gokulbhai Patel	1	1501	
22/02/2010	Navaneetlal Jeevanlal Gandhi	Jikeshkumar Kanubhai Patel	7	9000	1000
22/02/2010	Jikeshkumar Kanubhai Patel	Navaneetlal Jeevanlal Gandhi	3	1000	
16/04/2010	Amar Premchand Walmiki	Laxman Dhirubhai Parmar	2	2900	2900
16/04/2010	Laxman Dhirubhai Parmar	Amar Premchand Walmiki	9	10000	
26/05/2010	Pravinbhai Harmanbhai Patel	Pandya Yaminiben M	1	3500	2
26/05/2010	Pandya Yaminiben M	Pravinbhai Harmanbhai Patel	1	2	
09/06/2010	Anand Finstock Services Ltd	Sanjay Kantibhai Baria	3	15000	15000
09/06/2010	Sanjay Kantibhai Baria	Anand Finstock Services Ltd	4	20000	
09/06/2010	Rakesh Gokulbhai Patel	Sanjay Kantibhai Baria	1	100	100
09/06/2010	Sanjay Kantibhai Baria	Rakesh Gokulbhai Patel	3	14979	
17/06/2010	Padmini Dilipsinh Barot	Bharatkumar Baldevbhai Parmar	2	2000	1901
17/06/2010	Bharatkumar Baldevbhai Parmar	Padmini Dilipsinh Barot	1	1901	
18/06/2010	Aditi M Gandhi	Bharatkumar Baldevbhai Parmar	1	1550	1237
18/06/2010	Bharatkumar Baldevbhai Parmar	Aditi M Gandhi	1	1237	
01/07/2010	Anand Finstock Services Ltd	Bharatkumar Baldevbhai Parmar	1	5000	3080
01/07/2010	Bharatkumar Baldevbhai Parmar	Anand Finstock Services Ltd	3	3080	
08/07/2010	Padmini Dilipsinh Barot	Sanjay Kantibhai Baria	1	1000	998
08/07/2010	Sanjay Kantibhai Baria	Padmini Dilipsinh Barot	1	998	
09/07/2010	Sanjay Kantibhai Baria	Parmar Vaishali Ashvin	2	7973	125
09/07/2010	Parmar Vaishali Ashvin	Sanjay Kantibhai Baria	1	125	
14/07/2010	Ragini Bipinbhai Thakkar	Sanjay Kantibhai Baria	1	2715	2715
14/07/2010	Sanjay Kantibhai Baria	Ragini Bipinbhai Thakkar	3	9995	
14/07/2010	Padmini Dilipsinh Barot	Amisha Samir Patel	3	4850	200
14/07/2010	Amisha Samir Patel	Padmini Dilipsinh Barot	1	200	
15/07/2010	Benko Trading Private Limited	Mayank N Gandhi	7	9590	4974
15/07/2010	Mayank N Gandhi	Benko Trading Private Limited	2	4974	
15/07/2010	Benko Trading Private Limited	Sanjay Kantibhai Baria	2	6540	4852
15/07/2010	Sanjay Kantibhai Baria	Benko Trading Private Limited	1	4852	
15/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	1	3779	3779
15/07/2010	Parmar Vaishali Ashvin	Benko Trading Private Limited	5	16287	
15/07/2010	Anand Finstock Services Ltd	Ragini Bipinbhai Thakkar	1	1100	1100
15/07/2010	Ragini Bipinbhai Thakkar	Anand Finstock Services Ltd	2	7301	
15/07/2010	Rekha Bhandari	Parmar Vaishali Ashvin	1	9079	4232
15/07/2010	Parmar Vaishali Ashvin	Rekha Bhandari	2	4232	
16/07/2010	Benko Trading Private Limited	Anand Finstock Services Ltd	1	24096	24096

16/07/2010	Anand Finstock Services Ltd	Benko Trading Private Limited	9	25436	
16/07/2010	Benko Trading Private Limited	Amar Premchand Walmiki	2	3118	2910
16/07/2010	Amar Premchand Walmiki	Benko Trading Private Limited	1	2910	
16/07/2010	Benko Trading Private Limited	Janaki Bipin Thakkar	3	2620	2620
16/07/2010	Janaki Bipin Thakkar	Benko Trading Private Limited	3	4853	
16/07/2010	Benko Trading Private Limited	Laxman Dhirubhai Parmar	3	10102	2555
16/07/2010	Laxman Dhirubhai Parmar	Benko Trading Private Limited	2	2555	
16/07/2010	Benko Trading Private Limited	Parmar Kamlaben D	5	12991	37
16/07/2010	Parmar Kamlaben D	Benko Trading Private Limited	1	37	
16/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	3	5008	5008
16/07/2010	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	7603	
20/07/2010	Benko Trading Private Ltd.,	Pandya Yaminiben M	5	22830	16197
20/07/2010	Pandya Yaminiben M	Benko Trading Private Limited	1	16197	
21/07/2010	Benko Trading Private Limited	Mayank N Gandhi	1	2151	2151
21/07/2010	Mayank N Gandhi	Benko Trading Private Limited	1	2426	
21/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	2	6570	500
21/07/2010	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	500	
22/07/2010	Benko Trading Private Limited	Mayank N Gandhi	3	14595	842
22/07/2010	Mayank N Gandhi	Benko Trading Private Limited	1	842	
22/07/2010	Benko Trading Private Limited	Laxman Dhirubhai Parmar	1	3680	3428
22/07/2010	Laxman Dhirubhai Parmar	Benko Trading Private Limited	1	3428	
23/07/2010	Benko Trading Private Limited	Laxman Dhirubhai Parmar	1	3362	854
23/07/2010	Laxman Dhirubhai Parmar	Benko Trading Private Limited	1	854	
23/07/2010	Benko Trading Private Limited	Amisha Samir Patel	7	6385	121
23/07/2010	Amisha Samir Patel	Benko Trading Private Limited	1	121	
23/07/2010	Benko Trading Private Limited	Vipul Hiralal Shah	1	4510	4510
23/07/2010	Vipul Hiralal Shah	Benko Trading Private Limited	1	5000	
23/07/2010	Benko Trading Private Limited	Parmar Kamlaben D	3	12500	5260
23/07/2010	Parmar Kamlaben D	Benko Trading Private Limited	2	5260	
23/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	2	4543	3843
23/07/2010	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	3843	
23/07/2010	Amisha Samir Patel	Vipul Hiralal Shah	2	12400	9930
23/07/2010	Vipul Hiralal Shah	Amisha Samir Patel	12	9930	
28/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	1	8923	2447
28/07/2010	Parmar Vaishali Ashvin	Benko Trading Private Limited	3	2447	
28/07/2010	Tushar Rameshbhai Patel	Parmar Vaishali Ashvin	1	22875	385
28/07/2010	Parmar Vaishali Ashvin	Tushar Rameshbhai Patel	1	385	
Total			**181**	**481600**	**150689**

17. The details of the client-wise no., of buy and sale trades in respect of the above 181 reversal trades are given below:

Sl. No.	Name of the client	No. of Buy trades	Total Buy Quantity	No. of Sale trades	Total Sale Quantity	No of days	Net LTP contribution
1	Benko Trading Private Limited	54	167893	39	110425	7	1.65
2	Parmar Vaishali Ashvin	15	35422	13	68750	6	0.6
3	Anand Finstock Services Ltd	14	46536	10	54477	4	1.9
4	Sanjay Kantibhai Baria	14	58797	9	25480	5	2.7
5	Laxman Dhirubhai Parmar	13	16837	7	20044	4	0.25
6	Vipul Hiralal Shah	13	14930	3	16910	1	0.15
7	Navaneetlal Jeevanlal Gandhi	7	9000	3	1000	1	-0.85
8	Padmini Dilipsinh Barot	6	7850	3	3099	3	-1.25
9	Bharatkumar Baldevbhai Parmar	5	6218	4	8550	3	0.85
10	Pradeep kumar Jasbhai Patel	4	7975	4	5399	1	-0.55
11	Mayank N Gandhi	4	8242	11	26336	3	0.05
12	Ashokkumar Bhikhalal Parmar	4	5399	4	7975	1	0.05
13	Amisha Samir Patel	4	12721	22	21165	2	1.45
14	Amar Premchand Walmiki	3	5810	11	13118	2	-1.05
15	Ragini Bipinbhai Thakkar	3	10016	4	11095	2	0.25
16	Janaki Bipin Thakkar	3	4853	3	2620	1	0.1
17	Jikeshkumar Kanubhai Patel	3	1000	7	9000	1	0
18	Parmar Kamlaben D	3	5297	8	25491	2	0
19	Rakesh Gokulbhai Patel	2	2100	4	16480	2	-1.05
20	Pandya Yaminiben M	2	16199	6	26330	2	0.75
21	Tushar Rameshbhai Patel	1	22875	1	385	1	0
22	Pravinbhai Harmanbhai Patel	1	3500	1	2	1	-0.7
23	Aditi M Gandhi	1	1550	1	1237	1	0.05
24	Rekha Bhandari	1	9079	2	4232	1	-0.5
25	Shobhnaben R Parmar	1	1501	1	2000	1	0
TOTAL		181	481600	181	481600		4.85

From the above, it was alleged that the connected entities (i.e. Noticees at Sl. no. 1 – 6, 9 – 14 & 17) entered into reversal trades resulting in no change of beneficial ownership and increased the price of the scrip.

18. **Self-trades -** Self-trades are trades in which both the buyer and the seller are the same entity. Self-trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange. It was observed that the Notice-1 had executed self-trades in the scrip of SPIL and the details of which are furnished hereunder.

Sl. No.	PAN	Client Name	Total Buy	Total Sale	Self-trades quantity	% of Self Traded quantity to total buy	% of Self Traded quantity to total Sale	% of total self-trades to total traded volume	No of Self trades	No. of days
1	AAACB3323L	Benko Trading Private Limited	827706	828052	45093	5.45	5.45	0.19	10	2

19. It was therefore alleged that the Noticee-1 by executing self-trades had created false and misleading appearance of trading without the intention of change of ownership of shares.

20. **Last Traded Price (LTP) Analysis –** To verify the alleged price manipulation in the scrip, Last Trade Price (LTP) analysis was carried out and analysis of the same are given in the following table.

	Above LTP				Less than LTP				At LTP			Net impact	Total Trades	Total Shares
	No of trades	Total shares	% of total shares to total traded volume	Gross increase in price	No of trades	Total shares	% of total shares to total traded volume	Gross fall in price	No of trades	Total shares	% of total shares to total traded volume			
During the period of investigation	32063	6908069	29.67	11077.75	29890	4282700	18.40	-10913.15	69000	12090865	51.93	164.60	130953	23281634
The connected entities buy trades	4825	3485326	14.97	1829.30	1643	1396725	6.00	-689.4	8652	4956196	21.29	1139.90	15120	9838247
The connected entities trades within the connected entities	590	1814418	7.79	234.7	323	792068	3.40	-174	1412	2921783	12.55	60.70	2325	5528269
Other than connected entities buy trades	27238	3422743	14.70	9248.45	28247	2885975	12.40	-10223.75	60348	7134669	30.65	-975.3	115833	13443387

21. From the above table the following are observed:-

(a) During the period of investigation there were 1,30,953 trades executed for a total traded quantity of 2,32,81,634 shares.

(b) During the period of investigation, price of the scrip opened at ₹ 116.30 on February 01, 2010 and closed at ₹ 280.90 increasing the price to ₹ 164.60.

(c) The buy trades of the connected entities resulted in a net increase in price of ₹ 1139.90. The buy trades of other entities resulted in a net decrease of price of ₹ 975.3. Therefore, the net impact on the price of scrip being ₹ 164.60. Thus, the net increase in the price can be attributed to the buy trades of the connected entities.

(d) The trades among the connected entities, contributed to a net increase in price by ₹ 60.70. i.e. 36.88% of the total increase in price during the investigation period.

22. The details of individual contribution to change in the price of the scrip by entering into buy transaction within the connected entities are placed as under:

Sl. No.	Client Name	No of trades	No of trades above LTP	Gross increase in price	No of trades less than LTP	Gross fall in price	No of trades at LTP	Net impact
1	Amar Premchand Walmiki	66	4	0.25	13	-2.95	49	-2.7
2	***Ashokkumar Bhikhalal Parmar***	***228***	***16***	***8.25***	***7***	***-2.5***	***205***	***5.75***
3	***Hardik Maheshbhai Pandya***	***56***	***16***	***2.75***	***5***	***-1.3***	***35***	***1.45***
4	Jignesh Chandrakant Shah	40	2	2.25	13	-3.9	25	-1.65
5	Nareshbhai Devabhai Patel	25	4	1.35	4	-2.85	17	-1.5
6	***Shobhnaben R Parmar***	***46***	***19***	***8.5***	***5***	***-1.65***	***22***	***6.85***
7	Pradeep kumar Jasbhai Patel	12	2	0.3	6	-1.25	4	-0.95
8	***Pravinbhai Harmanbhai Patel***	***99***	***9***	***6.15***	***9***	***-3.25***	***81***	***2.9***
9	***Rameshbhai V Parmar***	***53***	***19***	***12.55***	***5***	***-0.85***	***29***	***11.7***
10	Shreedhar Yellaiah Kodam	15	3	0.55	1	-2.75	11	-2.2
11	***Laxman Dhirubhai Parmar***	***185***	***23***	***14.8***	***7***	***-1.1***	***155***	***13.7***
12	***Navaneetlal Jeevanlal Gandhi***	***25***	***7***	***2.85***	***8***	***-2.5***	***10***	***0.35***
13	***Pandya Yaminiben M***	***75***	***23***	***13***	***9***	***-11.75***	***43***	***1.25***
14	***Parmar Kamlaben D***	***48***	***21***	***4***	***5***	***-1.45***	***22***	***2.55***
15	Dhirubhai Antolbhai Parmar	160	10	5.4	8	-16.35	142	-10.95
16	***Jikeshkumar Kanubhai Patel***	***45***	***9***	***6.4***	***7***	***-4.1***	***29***	***2.3***
17	***Mayank N Gandhi***	***58***	***24***	***8.55***	***9***	***-2.25***	***25***	***6.3***
18	***Aditi M Gandhi***	***33***	***12***	***3.8***	***7***	***-1.9***	***14***	***1.9***
19	***Padmini Dilipsinh Barot***	***69***	***15***	***12.4***	***7***	***-3.25***	***47***	***9.15***
20	***Jayvishal Dilipsinh Barot***	***35***	***14***	***8.55***	***4***	***-1.4***	***17***	***7.15***
21	Ragini Bipinbhai Thakkar	66	15	5.95	9	-6	42	-0.05
22	***Janaki Bipin Thakkar***	***26***	***7***	***2.5***	***1***	***-0.05***	***18***	***2.45***
23	***Amisha Samir Patel***	***56***	***11***	***3.6***	***14***	***-3.3***	***31***	***0.3***
24	***Anand Finstock Services Ltd***	***42***	***27***	***8.65***	***4***	***-1.15***	***11***	***7.5***
25	*Anil Saini*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

26	***Avinash Bothra***	***5***	***2***	***0.15***	***0***	***0***	***3***	***0.15***
27	***Benko Trading Private Limited***	***120***	***47***	***3.95***	***3***	***-0.3***	***70***	***3.65***
28	***Bharatkumar Baldevbhai Parmar***	***16***	***6***	***1.5***	***0***	***0***	***10***	***1.5***
29	*Bhupesh Harishchandra Rathod*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
30	*Chandrakant Bhiva Gavade*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
31	***Dipika Dinesh Kankaria***	***18***	***8***	***1.35***	***7***	***-1.3***	***3***	***0.05***
32	***Jayesh Kuwadia***	***6***	***2***	***0.9***	***0***	***0***	***4***	***0.9***
33	***Kaushik Rajnikant Mehta***	***15***	***3***	***2.45***	***1***	***-0.25***	***11***	***2.2***
34	***Pannalal Ukaram Prajapati***	***1***	***1***	***0.1***	***0***	***0***	***0***	***0.1***
35	Parmar Vaishali Ashvin	95	28	6.5	15	-8.35	52	-1.85
36	Rakesh Gokulbhai Patel	17	2	0.95	9	-21.5	6	-20.55
37	Rekha Bhandari	6	3	0.15	2	-0.6	1	-0.45
38	Samir Sureshchandra Shah	20	6	1.75	2	-2.25	12	-0.5
39	Samirkumar Kanubhai Patel	3	1	0.05	1	-0.05	1	0
40	***Sanjay Kantibhai Baria***	***103***	***34***	***23.35***	***30***	***-16.7***	***39***	***6.65***
41	***Santosh Vishram Ghadshi***	***70***	***11***	***1.85***	***3***	***-0.35***	***56***	***1.5***
42	*Shah Samir Sureshbhai HUF*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
43	Shalin Kiritkumar Parikh	8	4	0.6	2	-1.05	2	-0.45
44	Shantadevi	1	0	0	1	-0.05	0	-0.05
45	*Shanti Vinimay Pvt Ltd*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
46	***Sunil Bhandari***	***16***	***8***	***1.75***	***1***	***-0.1***	***7***	***1.65***
47	***Suresh Devendra Gupta***	***11***	***3***	***0.85***	***0***	***0***	***8***	***0.85***
48	***Tushar Rameshbhai Patel***	***6***	***3***	***0.4***	***0***	***0***	***3***	***0.4***
49	***Vipul Hiralal Shah***	***32***	***2***	***1.1***	***2***	***-0.15***	***28***	***0.95***
50	***Acme Furniture Private Limited***	***15***	***10***	***5.75***	***5***	***-1.1***	***0***	***4.65***
51	Sunil Maloo And Sons HUF	3	1	0.05	2	-0.45	0	-0.4
52	***Garima Bhandari***	***29***	***12***	***6.15***	***14***	***-3.6***	***3***	***2.55***
53	***Niol Impex Private Limited***	***40***	***23***	***20***	***13***	***-4.4***	***4***	***15.6***
54	Ashok Kumar	37	19	4.7	18	-16.4	0	-11.7
55	Narendra Panwar	37	18	1.9	15	-10.15	4	-8.25
56	Kochale Santosh	32	21	3.1	10	-5.1	1	-2
Total		2325	590	234.7	323	-174	1412	60.70

23. Further, following two entities also contributed toward positive LTP by indulging in reversal trades.

Sl. No.	**Name of the client**	**No. of Buy trades**	**Total Buy Quantity**	**No. of Sale trades**	**Total Sale Quantity**	**Net LTP contribution**
1	Parmar Vaishali Ashvin	15	35422	13	68750	0.60
2	Ragini Bipinbhai Thakkar	3	10016	4	11095	0.25

24. From the above table it is alleged that the entities (i.e., Noticees at Sl. No. 1, 3 – 12, 14 - 35 have traded among themselves resulting in no change of beneficial ownership and contributed in the price rise of the scrip.

25. **First Trade (FT) Analysis -** Analysis of the first trades during the investigation period was carried out to identify if any of the connected entity had influenced the first trade of the day to inflate the price of the scrip and the details of the same are furnished hereunder.

	Above LTP				Less than LTP				At LTP			Net impact (₹)	Total First Trades	Total volume of first trades
	No of trades above LTP	Total shares	% of total shares to total volume of first trades	Gross increase in price (₹)	No of trades less than LTP	Total shares	% of total shares to total volume of first trades	Gross fall in price (₹)	No of trades at LTP	Total shares	% of total shares to total volume of first trades			
During the period of investigation	83	63,366	65.60	256.35	38	32,287	33.43	-160.15	5	935	0.97	96.20	126	96,588
The connected entities buy trades	39	39,401	40.79	144.20	2	5,000	5.18	-2.05	1	500	0.52	142.15	42	44,901
The connected entities trades within the connected entities	10	23,513	24.34	22.65	2	5,000	5.18	-2.05	1	500	0.52	20.60	13	29,013
Other than connected entities buy trades	44	23965	24.81	112.15	36	27287	28.25	-158.1	4	435	0.45	-45.95	84	51,687

26. During the period of investigation there were 126 First trades contributing to 96,588 shares. The first trades of the connected entities resulted in a net increase in price of ₹ 142.15. The first trades of other entities resulted in a net decrease of price of ₹ 45.95. Therefore, the net impact on the price of scrip being ₹ 96.20.

27. On considering the first trades of the connected entities within the connected entities, a net increase of ₹ 20.60 is observed. Which means that the first trades of the connected entities outside the connected entities resulted in a net increase of ₹ 121.55 (i.e. ₹ 142.15 minus ₹ 20.60). However, the counter parties for these first trades by connected entities are scattered. Thus the connected entities have traded among themselves and contributed to increase price to ₹20.60 i.e. 21.41% of the total increase in price by first trades during the investigation period.

28. The detail of individual contribution to change in the price of the scrip by entering into first trades are given below:-

Sl. No.	Name of client	No of First trades	Gross increase in price	No of first trades within the connected entities	Gross increase in price
1	Anand Finstock Services Ltd	2	7.25	1	1.1
2	Ragini Bipinbhai Thakkar	3	4.7	1	0.2
3	Navaneetlal Jeevanlal Gandhi	2	9.45	0	0
4	Pravinbhai Harmanbhai Patel	1	2.5	0	0
5	Jignesh Chandrakant Shah	2	5.75	1	-0.55
6	Mayank N Gandhi	6	21.45	1	0
7	Aditi M Gandhi	2	5.9	0	0
8	Padmini Dilipsinh Barot	2	6.9	1	5.05
9	Jayvishal Dilipsinh Barot	2	7.55	1	1.15
10	Sanjay Kantibhai Baria	2	5.45	2	5.45
11	Ashokkumar Bhikhalal Parmar	1	1.05	1	1.05
12	Pandya Yaminiben M	5	28.15	1	5.65
13	Bharatkumar Baldevbhai Parmar	1	3.5	0	0
14	Dhirubhai Antolbhai Parmar	3	4.35	1	-1.5
15	Laxman Dhirubhai Parmar	2	9.1	1	0.95
16	Shobhnaben R Parmar	2	4.05	1	2.05
17	Rameshbhai V Parmar	3	10.85	0	0
18	Vipul Hiralal Shah	1	4.2	0	0
Grand Total		**42**	**142.15**	**13**	**20.60**

29. From the above table it is alleged that the connected entities (i.e., Noticees at sl. no. 3 - 5, 8, 11, 13, 17, 21 and 24) were involved in first trades within the connected entities and contributed in the price rise of the scrip.

30. **New High Price (NHP) -** During the period of investigation NHP was established 1224 times contributing to gross increase in price of ₹ 224.10/-.

Total Trades during the investigation period	No. of trades establishing NHP during the period	Gross increase in price (₹)	No. of trades establishing NHP during the period by the connected entities.	Gross increase in price ₹	No. of trades establishing NHP during the period within the connected entities	Gross increase in price ₹	No. of trades establishing NHP during the period other than connected entities trades	Gross increase in price ₹
130953	1224	224.10	328	80.90	14	1.85	896	143.20

From the above table, it is observed that the connected entities established New High Price (NHP) 328 times resulting in gross increase in price of ₹ 80.90.

31. From the above trading pattern of the Noticees, it was alleged that the acts of connected entities by indulging in synchronized trades, self-trades, reversal trades, trading among themselves by contributing significant positive LTP and manipulating First Trades, were not just a coincidence and the same indicates their concerted effort and manipulative intent to increase the price of the scrip by creating false and artificial volume of the scrip. This gave an impression to other clients in the market that the scrip of SPIL was being actively traded at the prevailing price but actually this was not the case. Therefore, it was alleged that, the above mentioned trades of the connected entities were with the intention not to change the beneficial ownership of the shares of SPIL, but with an intention to operate only as a device to create false, misleading appearance of trading and fluctuation in the price of the scrip of SPIL and also to create artificial volume & price manipulation in the scrip of SPIL.

32. In view of the above, it was alleged that the Noticees were alleged to have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

33. Pursuant to investigation, SEBI initiated Adjudication Proceedings against the Noticee and appointed Ms. Anita Kenkare as the Adjudicating Officer vide Order dated May 14, 2014 under Section 15I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **"Adjudicating Rules")** to inquire into and adjudge under Section 15 HA of the SEBI Act for the alleged violation of provisions of SEBI (PFUTP) Regulations, 2003. Pursuant to internal restructuring, the undersigned has been appointed as Adjudicating Officer vide Order dated June 27, 2017.

SHOW CAUSE NOTICE, REPLY AND HEARING

34. A common Show Cause Notice (hereinafter referred to as "SCN") bearing ref. no. EAD/BJD/NJMR/23241/2017 dated September 26, 2017 was issued to all the Noticees under Rule 4 of SEBI Adjudicating Rules to show cause as to why an inquiry be not held against them in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under section 15 HA of SEBI Act, 1992 for the violation alleged to have been committed by it.

35. A supplementary SCN ref. no. EAD/BJD/NJMR/28969/2017 dated November 21, 2017 addressed to the Noticee-1 i.e., Benko Trading Private Ltd., was served on the Noticee with regard to the alleged self-trades executed by it. .

36. The SCN sent to all the Noticees were served upon all the Noticees, except in the case of Noticee 3, 4, 26 and 34, which returned undelivered. In respect of the Noticee 26 i.e., Garima Bhandari, in terms of Rule 7 (c) of Adjudicating Rules the SCN was affixed at the outer door of the premises, wherein she was last known to have resided, on January 15, 2018. Upon receipt of the SCN, the following Noticees vide their respective letters as mentioned against their names had sought extension of time to file their reply to the charges alleged in the SCN.

Noticee No.,	Name of the Noticee	Letters dated
7	Navaneetlall Jeevanlal Gandhi	October 9 & 29, 2017
8	Padmini Dilipsinh Barot	October 9 & November 2, 2017
10	Mayak Gandhi	October 9 & 29, 2017
13	Ragini B Thakkar	October 9 & 31, 2017
14	Janaki B Thakkar	October 9 & 31, 2017
17	Pandya Yaminiben M	October 9 & 31, 2017
19	Pravinbhai Patel	October 9 & November 2, 2017
20	Aditi M Gandhi	October 9 & 29, 2017
24	Jayvishal Barot	October 9 & November 2, 2017
30	Hardik Pandya	October 9 & 31, 2017
33	Avinash Bothra	October 13, 2017
35	Dipika D Kankaria	October 13, 2017

37. The Noticees at Sl. No. 29, 31 and 32 vide their respective letters dated October 23, 31 and 21, 2017 had requested for carrying out inspection of documents and records relating to the current proceedings. Accordingly, vide letter dated November 16, 2017, the Noticees were given an opportunity to carry out

inspection of documents by November 30, 2017. I note that the Noticee 31 had carried out inspection of documents on December 7, 2017. The Noticee 28 vide letter dated October 23, 2017 requested for carrying out inspection of documents, which was acceded to and the communication in this regard was sent to the Noticee vide letter dated November 20, 2017 to take up the inspection of documents by November 30, 2017. I note from the records that except the Noticee 31, no other Noticees carried out inspection of documents.

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

Sl. No. and Name of the Noticee	**Reply Letter/s dated**	**Sl. No. and Name of the Noticee**	**Reply Letter/s dated**
1. Benko Trading Private Ltd.,	April 9 and 12, 2018	2. Parmar Vaishali Ashvin	October 6, 2017
3. Anand Finstock Services Ltd.,	SCN Returned undelivered.	4. Sanjay Kantibhai Baria	SCN Returned undelivered.
5. Laxman Dhirubhai Parmar	October 6, 2017	6. Vipul Hiralal Shah	No reply received.
7. Navaneetlal Jeevanlal Gandhi	November 16, 2017	8. Padmini (Padmaja) Dilipsinh Barot	November 16, 2017
9. Bharatkumar Baldevbhai Parmar	April 9, 2018	10. Mayank N Gandhi	November 16, 2017
11. Ashokkumar Bhikhalal Parmar	No reply received.	12. Amisha Samir Patel	October 9, 2017
13. Ragini Bipinbhai Thakkar	November 16, 2017	14. Janaki Bipin Thakkar	November 16, 2017
15. Jikeshkumar Kanubhai Patel	October 9, 2017	16. Parmar Kamlaben D	October 6, 2017
17. Pandya Yaminiben M	November 16, 2017	18. Tushar Rameshbhai Patel	April 9, 2018
19. Pravinbhai Harmanbhai Pate	November 16, 2017	20. Aditi M Gandhi	November 16, 2017
21. Shobhnaben R Parmar	October 7, 2017	22. Niol Impex Private Ltd.,	October 11, 2017
23. Rameshbhai V Parmar	October 7, 2017	24. Jayvishal Dilipsinh Barot	November 16, 2017
25. Acme Furniture Private Ltd.,	April 9, 2018	26. Garima Bhandari	SCN Returned undelivered.
27. Kaushik Rajnikant Mehta	April 2, 2018	28. Sunil Bhandari	February 15, 2018
29. Santosh Vishram Ghadshi.	February 15, 2018	30. Hardik Maheshbhai Pandya	November 16, 2017
31. Jayesh Kuwadia	February 12, 2018	32. Suresh Devendra Gupta	February 21, 2018
33. Avinash Bothra	December 20, 2017	34. Pannalal Ukaram Prajapati	SCN Returned undelivered.
35. Dipika Dinesh Kankaria	December 22, 2017		

39. The replies of the Noticees are summarized hereunder:

Noticee -1: Benko Trading Private Ltd.,

40. *Whatever is alleged in the SCN is denied and refuted that the Company has violated the provisions of SEBI (PFUTP) Regulations. The Company was not aware of and do not admit any of the allegations in the said SCN as against any of the other Noticees, nor our Company concerned with the same. The Company has one solitary off-market transaction for 1,345 shares with Noticee No., 9 i.e., Bharat B Parmar and there is no connection with the other Noticees mentioned in the SCN. As per the SCN, it was alleged the Company had executed synchronized trades for 1,918 shares on buy side, which was matched with one of the purposed connected entities viz., Noticee No. 8 i.e., Padmini Dilipsinh Barot. It is very pertinent to mention that the above said solitary transaction executed by the Company on the said day was marked as delivery. There is change of beneficial ownership. It is further pertinent to mention that out of the total 4129 buy / sell trades executed by the Company, the Investigation Department found one solitary trade for 1918 shares as synchronized trades. Most of the trades executed by the Company were delivery based transactions. It is further submitted that the matching of the said Order with Noticee 8 was mere coincidence. No allegation of repetition of the synchronized trade and manipulation of price from the synchronized trades have been alleged in the entire SCN. Admittedly, the Company has no connection / relation with the Noticee No. 8. The Noticee would like to place reliance on the judgement passed by the Hon'ble Securities Appellate Tribunal in the matter of Ketan Parekh (Appeal No. 2 of 2004 dated July 14, 2006. As regards the alleged violation of reversal trades executed by the Company, it is submitted that since the complete details of alleged trades were not provided to the Company, the Company is unable to defend strongly. With regard to the alleged violation of executing trades above LTP, it is submitted that the trades were executed on prevailing market price and there is change of beneficial ownership in all trades executed by the Company. The alleged contribution to +ve LTP of ₹3.65 by the Company is not significant in comparison to the total market +ve LTP i.e., ₹11,077.75. Therefore, the allegation of price manipulation is futile. In view of the above, it is submitted that the allegations made against the Company in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by the Company. As regards the alleged violation of execution of self-trades, in view of the policy decision taken by SEBI on May 16, 2017, since there is no malafied intention and the volume of self-trades vis-à-vis market volume is miniscule, the Company may be exonerated. The Noticee would like to rely on the several Adjudication Orders passed by the Ld., Adjudicating Officers of SEBI, wherein the self-trades executed by the entities mentioned in the said Orders are comparably much higher in case of several entities than alleged self-trades executed by the Company. Therefore, the submissions made by the*

Company may be please be considered and dispose-off the SCN without passing any adverse Order against the Company.

Noticee – 2: Parmar Vaishali Ashvin, Noticee-5: Laxman Dhirubhai Parmar, Noticee-12 Amisha Samir Patel, Noticee-15: Jikeshkumar Kanubhai Patel, Noticee-16: Parmar Kamlaben D, Noticee-21: Shobhnaben R Parmar, Noticee-23: Rameshbhai V Parmar

41. *I have no relationship with any of the Promoters / Directors / Associated entities of SPIL and I have not made any transactions by myself for any other persons. I do not have the requisite knowledge and expertise to deal in the capital market activities. I reaffirm and confirm that on the advice of some well-wishers, I have opened demat account and allowed their use by third parties against monetary consideration. I came to know that my account was given for third party use on the instructions of Mr. Paras Chaplot and Mr. Rakesh Shinghvi, market operators having their base at Mumbai. I do not know him or his firm or his operating mechanism directly. I was advised by my well-wisher to provide my demat account for such use, for which I got a sum of ₹ 3,000/- to ₹ 4,000/- per month during the eight months. Therefore, none of the transactions appearing in my demat account and off-market transactions have been carried out by me nor I gave any instructions for such operations at any point of time.*

Noticee-7: Navaneetlal Jeevanlal Gandhi, Noticee-8: Padmini Dilipsinh Barot, Noticee-10: Mayank N Gandhi, Noticee-13: Ragini Bipinbhai Thakkar, Noticee-14: Janaki B Thakkar, Noticee-17: Pandya Yaminiben M; Noticee-19: Pravinbhai H Patel, Noticee-20: Aditi M Gandhi, Noticee-24: Jayvishal D Barot, Noticee-30: Hardik Maheshbhai Pandya,

42. *I am a victim of fraud committed on me by Mr. Paras Chaplot and I am given to understand that Mr. Paras Chaplot is not available / traceable and this is in the knowledge of SEBI. The fund transfer, if any was made out of other relationship had with a connected parties were done outside my knowledge. My buy and sell contribution as compared to the total market volume buy & sell and compared to the total buy & sell by connected entities, is negligible. I am not at all involved in the synchronised, reversal trades and change in price of the scrip by first trade. The individual contribution to change in the price with regard to the alleged transactions is concerned, my contribution was negligible. I am a small investor and engaged into employment on a very small scale. In view of what has been stated herein above, even presuming that the transactions were made by me, it is very negligible.*

Noticee No. 9 – Bharat Kuamr B Parmar

43. *It is mentioned in the SCN that I had done off-market transfer of shares with entities at Sl. No. 27, 48, 38, 36, 28 stated in table of connection among the*

entities. However, it is submitted that Sl. No., 38 and Sl. No. 36 of table connection were not made parties to the SCN. The off-market transfers has nothing to do with on market transactions in the scrip of SPIL. Thus, the allegation of connection with purported connected entities is futile. As regards the alleged violation of reversal trades executed by me, it is submitted that since the complete details of alleged trades were not provided to me, I am unable to defend strongly. The quantum of the alleged reversal of trades is too miniscule to impact the market equilibrium. The matching of some of my trades with the purported suspected entities is mere coincidence. The alleged contributions to +ve LTP of ₹ 0.85 by execution of alleged reversal of trade by me is not significant in comparison to total market +ve LTP of ₹ 11,077.75. Thus, the allegation made against me for reversal of trades is futile and should be dropped. As regards the alleged violation of price manipulation, it is submitted the 16 trades were executed by me with the alleged group and out of which 6 trades were above the LTP. The alleged contribution to +ve LTP of ₹ 1.50 by me is not significant in comparison to the total market +ve LTP i.e., ₹ 11,077.75. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by me. It is an admitted position that I am not facing any allegation of synchronized trades and self-trades in the scrip of SPIL. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades. The said allegation is completely false and frivolous as my most of the trades were marked as delivery. I have not made profit while trading in the shares of the Company.

<u>Noticee No. 18 – Tushar Rameshbhai Patel</u>

44. *It is mentioned in the SCN that I had done off-market transfer of shares with entities at Sl. No. 1, 28, 38 stated in table of connection among the entities. However, it is submitted that Sl No. 1 and Sl. No. 38of table connection were not made parties to the SCN. I have not done any off-market transaction with Noticee No. 9 i.e., Bharat Parmar in the scrip of SPIL. I have not transferred a single shares of SPIL to any entity including the entities mention at Sl. No. 1, 28 & 38 in the table of connection. The alleged contributions to +ve LTP of ₹ 0.85 by execution of alleged reversal of trade by me is not significant in comparison to total market +ve LTP of ₹ 11,077.75. Thus, the allegation made against me for reversal of trades is futile and should be dropped. As regards the alleged violation of price manipulation, it is submitted the 6 trades were executed by me with the alleged group and out of which 3 trades were above the LTP. The alleged contribution to +ve LTP of ₹ 0.40 by me is not significant in comparison to the total market +ve LTP i.e., ₹ 11,077.75. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades*

executed by me. It is an admitted position that I am not facing any allegation of synchronized trades and reversal trades in the scrip of SPIL. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades. The said allegation is completely false and frivolous as my most of the trades were marked as delivery. I have not made profit while trading in the shares of the Company.

Noticee No. 22 – Niol Impex Private Ltd.,

45. *It is submitted that the Company has neither transfer the shares of SPIL to any person nor received the same from any person. The Company had done the trades in SPIL, but those trades were self-trades in nature and not the synchronized trades. The Company has traded on the basis of research to earn the profit, but finally booked the loss in the said scrip. The Company denies any connection with the entities mentioned in the SCN either through off-market transfer of shares or funds transfer.*

Noticee No. 25 – Acme Furniture Private Ltd.,

46. *Whatever is alleged in the SCN is denied and refuted that the Company has violated the provisions of SEBI (PFUTP) Regulations. The Company was not aware of and do not admit any of the allegations in the said SCN as against any of the other Noticees, nor our Company concerned with the same. In the table of connection, it was mentioned that the Company entered into off-market transfer with Kamlesh Nahar, director of Acme Furniture on 28/06/2010, who entered into off-market transfer with Dipika Dinesh Kankaria on 19/02/2010. Dipika Dinesh Kankaria entered into off-market transfer with Shobhnaben D Parmar, an entity part of Pabari Group on 06/04/2010. We say and submit that neither our Company nor our Director Kamlesh Nahar had transferred a single shares of the SPIL to any one including the above mentioned entities. It was alleged that the Company had executed synchronized trades of 36,195 shares on buy side and 37,650 shares on sell side. Net price of the scrip decreased by –ve LTP ₹ 5.The Noticee would like to place reliance on the judgement passed by the Hon'ble Securities Appellate Tribunal in the matter of Ketan Parekh (Appeal No. 2 of 2004 dated July 14, 2006. As regards the alleged violation of reversal trades executed by the Company, it is submitted that since the complete details of alleged trades were not provided to the Company, the Company is unable to defend strongly. With regard to the alleged violation of executing trades above LTP, it is submitted that the trades were executed on prevailing market price and there is change of beneficial ownership in all trades executed by the Company. The alleged contribution to +ve LTP of ₹ 4.65 by the Company is not significant in comparison to the total market +ve LTP i.e., ₹ 11,077.75. Therefore, the allegation of price manipulation is futile. In view of the above, it is submitted that the allegations*

made against the Company in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by the Company.

Noticee No. 27 – Kaushik Rajnikant Mehta

47. *I deny and refute that I was part of any group i.e., connected entities as alleged in the SCN. As regards the alleged violation of price manipulation, it is submitted the 3 trades above LTP were executed by me with the alleged group, which had impacted on the price by ₹2.20, which is not significant. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by me. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades. The said allegation is completely false and frivolous as my most of the trades were marked as delivery. I have not made profit while trading in the shares of the Company. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades, is completely false and frivolous as all my trades were marked as delivery.*

Noticee No. 28 – Sunil Bhandari

48. *My name is mentioned at Sl. No. 46 in the table of connection of entities with the remarks "Off-market transfer with Sl. No. 46". I have some internal transfer from my one demat account to another demat account. Apart from the said allegation of off-market with Sl. No. 46, no other allegation of connection has been made against me in the said table. It is an admitted position that I have no connection with the purported connected group / entities and the connection mentioned in the client column is only indicating internal transfer from my one demat account to another demat account. I further state and submit that I had not transferred a single share of SPIL to any entities whose names mentioned or not mentioned in the SCN during the entire investigation period. Thus, the allegation of connection with purported connected entities is futile. With regard to the alleged violation of execution of synchronized trades, it is revealed that one solitary trade has been matched with one of the purported connected entities i.e, Shobhnaben R Parmar on 28/07/2010 for 2972 shares. It is further revealed that out of the total order quantity of 5000 shares of SPIL, 2972 shares of SPIL were matched with the said entity, 1361 shares out of the sale 5000 shares order were matched with other 9 entities / persons and order for 667 out of the said 5000 shares were removed before execution into. Thus, the Order No. 160000062015544 for 1000 shares (executed trades for 4333 shares only) were matched with 10 entities including Shobhnaben R Parmar. How, the said trades can be attributed as synchronized trades as the quantity of the Order and quantity of the matched trade with*

Shobhnaben R Parmar are totally different. The matching of the said Order with Shobhnaben R Parmar was mere coincidence and no allegation of repetition of the synchronized trade and manipulation of price from the synchronized trades have been alleged in the entire SCN. The alleged contributions to +ve LTP of ₹ 1.65 by execution of alleged reversal of trade by me is not significant in comparison to total market +ve LTP of ₹ 11,077Thus, the allegation made against me for reversal of trades is futile and should be dropped. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by me. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades.

<u>Noticee No. 29 – Santosh Vishram Ghadhshi</u>

49. *It is mentioned in the SCN that I had done off-market transfer of shares with entities at Sl. No. 1, 3, 10 and 38 and funds movement with Sl. No. 1, stated in table of connection among the entities. However, it is submitted that Sl. No., 1, 10 and 38 of the table connection were not made parties to the SCN. I further say and submit that I have not transferred the shares of the said company to anyone except 500 shares to Shreedhar Yellaiah Kodam, who is not even party to the above referred SCN. Thus, the allegation of connection with purported connected entities is futile. With regard to the alleged violation of execution of synchronized trades for 400 shares, it it submitted that one solitary trade has been matched with one of the purported connected entities viz., Kamlaben Parmar, the transaction of which was marked as delivery. There is change of beneficial ownership. It is further submitted that out of the total 370 buy / sell trades executed by me, the Investigation Department had found one solitary trade for 4000 shares as synchronized trades. I have not executed a single intra-day trade in the scrip of SPIL and all my trades are delivery based transactions. The matching of the said Order with Kamlaben Parmar was mere coincidence and no allegation of repetition of the synchronized trade and manipulation of price from the synchronized trades have been alleged in the entire SCN. The alleged contributions to +ve LTP of ₹0.85 by execution of alleged reversal of trade by me is not significant in comparison to total market +ve LTP of ₹11,077.75. Thus, the allegation made against me for reversal of trades is futile and should be dropped. As regards the alleged violation of price manipulation, it is submitted the 16 trades were executed by me with the alleged group and out of which 6 trades were above the LTP. The alleged contribution to +ve LTP of ₹1.85 by me is not significant in comparison to the total market +ve LTP i.e., ₹11,077.75. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by me. The allegation made in the SCN that no change of beneficial ownership have taken place due to my trades. The said*

allegation is completely false and frivolous as my most of the trades were marked as delivery. I have not made profit while trading in the shares of the Company.

Noticee No. 31 – Jayesh Kuwadia *through the Authorised Representative – Mindspright Legal*

50. *The only basis for alleged connection with the person stated in the SCN was a single alleged off-market transaction done with a person three years prior to the investigation period (which person is not a Noticee in the said SCN and against whom there are no allegations), who was allegedly having a fund transfer transaction with another person known as one Mr. Valmiki against whom also there is no change in the said SCN. There is no other allegation or establishment or evidence of any connection between one Mr. Amar Premchand Valmiki and the Noticee. The Noticee has not undertaken any synchronized and reversal trades and the same has not even been alleged in the SCN. It is denied that the Noticee forms a part of the connected entities, which traded in the shares of SPIL. As regards the buy and sell volume of the Noticee, it is 0.05% and 0.04% of the total buy and sell volume respectively, which is miniscule. The Noticee does not have any connection as alleged or at all with the entities specified in the SCN including the Noticees. The Noticee has traded independently and not in connection or conjunction with any entity or any person whatsoever. Had there been any manipulative or malafied intent by the Noticee in his trading, including if there was an intent to act as a group or in conjunction / connection / collaboration with any other alleged connected entities as alleged or at all, there would have been findings / allegations of synchronized or reversal trades against the Noticee, which are correctly not there in the SCN. In fact, the Noticee had only traded 6 times during the entire investigation period, out of which 4 times his trades were at LTP and 2 trades were above LTP. As compared to the total trades of 32,063 which were executed above LTP, the contribution of the Noticee i.e., 2 trades is miniscule. The Noticee could never have been aware of the selling entity / person from whom he was purchasing the shares of SPIL through Stock Exchange mechanism and similarly the Noticee could never have been aware of the buying entity / person to whom the Noticee was selling the shares of SPIL through Stock Exchange mechanism since, as has been held numerous times by SEBI, Hon'ble SAT and the Hon'ble Supreme Court, that it is not possible to ascertain the identity of a buying or selling entity when the trading in shares / securities through a Stock Exchange mechanism. The number of trades executed by the Noticee above LTP were so miniscule in number that they cannot be said to have created any artificial volume and there is no basis or evidence or material on record to suggest any kind of price manipulation by the Noticee. An analysis of the trade and order log could reveal the trading pattern of the Noticee and none of the trades executed by the Noticee can be said to be arising out of a manipulative or a fraudulent intent. The Noticee in his defence had relied upon several*

judgements of Hon'ble SAT, Hon'ble High Court and Hon'ble Supreme Court, which have been referred in the reply.

Noticee No. 32 – Suresh Devendra Gupta

51. *I submit that I am not aware of and to not admit any of the allegations in the said SCN as against any of the other Noticees, not am I concerned with the same. In the table of connection among entities, my name is mentioned at Sl. No. 47 that I had done off-market transfer of shares with Sl. No. 12 of the said table. I further say and submit that I have not transferred a single shares of the said Company to any one including Sl. No. i.e., Navaneetlal J Gandhi. Thus, the allegation of connection with purported connected entities is futile. As regards the alleged violation of price manipulation, it is submitted the 11 trades were executed by me with the alleged group and out of which 3 trades were above the LTP. By execution of the said 3 trades above LTP, it is alleged that I had increased the price of the scrip of ₹ 0.85. On perusal of the trade and order log date, it is revealed that 8 out of the 11 trades were either at par to the LTP or below the LTP. The trades were executed on prevailing market price. It is further submitted that there is change of beneficial ownership in all my executed trade except 200 shares, as all trades were market delivery. It is further revealed on perusal of trade and order log that the scrip was very volatile in the month of July, 2010. I had executed 249 trades in the scrip of SPIL, out of which 7 trades were below the LTP, 197 trades were at par to LTP and the remaining 45 trades were above the LTP. The net LTP impact from my trades during the investigation period was about ₹ 11,077 and the impact of ₹ 0.85 LTP as alleged in the SCN is not significant. In view of the above, it is submitted that the allegations made against me in the said SCN are not specific and are commonly alleged against all the entities without proper analysing the trades executed by me. It is nowhere explained that how the trades executed by me are alleged to be fraudulent trades merely / coincidentally some of the trades matched with the purported connected entities.*

Noticee No. 33 – Avinash Bothra, Noticee No. 35 – Dipika Dinesh Kankaria

52. *There is no off-market transfer of shares of SPIL to any person from my demat account and also not received the same from any person in my demat account. I had done the trades in SPIL to earn profit and not for synchronized trades.*

53. I note from the records that the Noticees at Sl. No. 6 and 11 did not file their replies to the charges alleged in the SCN.

54. In the interest of natural justice and in terms of Rule 4 (4) of Adjudicating Rules, an opportunity of personal hearing was accorded to all the entities on April 5 & 6, 2018, which was communicated vide hearing notice ref. no. EAD/BJD/NJMR/8877/1/2018 dated March 21, 2018. In terms of Rule 7 (b) of Adjudicating Rules, the Notice of hearing was also sent though electronic mail digitally signed. The hearing notice sent to the Noticees 3, 4, 26 ad 34 returned undelivered.

55. The Noticees at Sl. No. 12, 21 and 23 viz., Amisha Samir Patel, Shobhnaben R Parmar and Rameshbhai V Parmar vide their letters dated April 4, 2018 had authorized Mr. Rakesh Patel *(Authorised Representative)* to appear on their behalf, before me. The Noticees at Sl. No. 2, 5, 15 and 16 viz., Parmar Vaishali Ashvin, Laxman Dhirbuhai Parmar, Jikesh Kanubhai Patel and Parmar Kamlaben D vide their letters dated April 4, 2018 had authorized Mr. Pradeep Patel *(Authorised Representative)* to appear on their behalf, before me. Accordingly, the Authorised Representatives appeared before me on April 4, 2018 and reiterated the submissions made by the Noticees vide their letters dated October 6, 2017. The Authorised Representative undertook to furnish the following documents by April 12, 2018.

   a) *Bank transaction statement evidencing payment made and received from stock broker;*
   b) *Demat transaction statement and broker client ledge reflecting payment made and received from brokers;*
   c) *Name of the person who was placing Orders with the Stock Broker;*
   d) *Evidence of cash payments claimed to have been received from Paras* Chaplot.

56. I note that the aforesaid documents sought in the above para were not submitted by the Noticee at Sl. No. 12, 21, 23, 2, 5, 15 and 16

57. The Noticees at Sl. No. 33 viz., Avinash Bothra appared on his behalf and on behalf of the Noticee at Sl. No. 35 viz., Dipika Dinesh Kankaria on April 5, 2018 and reiterated the submissions made by them vide their respective letters dated October 15, 2017. The Noticees undertook to furnish additional submissions with

regard to the alleged off-market transfer / fund transfer as alleged in the SCN by April 12, 2018. However, I note that no additional submissions were made by the Noticees at Sl. No. 33 and 35.

58. In respect of the Noticee No. 22 i.e., Niol Impex Private Ltd., Mr. Rupesh Jain was authorized by the Noticee to appear before me for hearing. Accordingly, Mr. Rupesh Jain appeared before me on April 5, 2018 and reiterated the submissions made by the Noticee vide its letter dated October 11, 2017. Further, the Authorized Representative undertook to furnish additional submissions with regard to the alleged off-market transfer of shares with the connected entities. I note that no additional submission was made by the Noticee.

59. On behalf of Noticees at Sl. No. 1, 9, 18, 25, 28, 29, and 32, Mr. Vikas Bengani appeared before me for the personal hearing, which was scheduled on April 11, 2018 and reiterated the submissions made by the Noticees vide their respective letters.

60. The Noticee No. 31 vide letter dated April 2, 2018 authorized Mr. Pulkit Sharma, Advocae, i/b Mindspright Legal *(Authorized Representative)* to appear before me for the personal hearing. Accordingly, the Authorized Representative appeared before me on April 11, 2018 and reiterated the submissions made by the Noticee vide letter dated February 12, 2018, which was received on April 6, 2018. .

61. The Noticees at Sl. No. 7, 8, 10, 13, 14, 15, 17, 19, 20, 24 and 30 viz., Navaneetlal J Gandhi, Padmini D Barot, Mayank N Gandhi, Ragini Bipinbhai Thakkar, Janaki Bipin Thakkar, Pandya Yaminiben M, Pravinbhai H Patel, Aditi M Gandhi, Jayvishal D Barot and Hardik M Pandya vide their letters dated March 30, 2018 authorized Mr. Umesh Ved, Practising Company Secretary (*Authorized Representative)* to appear before me for the personal hearing. Accordingly, the Authorized Representative appeared before me on April 17, 2018 and reiterated the submissions made by the Noticees, vide their letters dated November 16, 2017.

62. I note that the Noticees at Sl. No. 6, 11 & 27 did not appear for personal hearing.

63. In respect of the Noticees 3, 4, 26 and 34 to whom SCN and Notice of hearing sent were returned undelivered, soft copies of the same were uploaded on SEBI website www.sebi.gov.in for the information of the Noticees. Since the SCNs and Notices of hearing could not be served upon the Noticees 3, 4, 26 and 35 by email / speed post / affixture, in terms of Rule 7 (d) of Adjudicating Rules, a Notice was published in two newspapers one in a daily newspaper having nationwide circulation and another in a newspaper having wide circulation published in the language of the region where that person was last known to have resided or carried on business. Vide the aforesaid Noticees, the Noticees 3, 4, 26 and 34 were provided with an opportunity of personal hearing scheduled in the month of July 2018. The details of publication of Notices in the newspapers and the corresponding date of personal hearings in respect of the Noticees 3, 4, 26 and 34 are furnished hereunder.

Name of the Noticee	**Name of the News Paper having nationwide circulation**	**Date of publication**	**Name of the regional news paper**	**Date of publication**	**Date of hearing**
Noticee -3 Anand Finstock Services Ltd.,	Times of India, Ahmedabad edition	July 2, 2018	Divya Bhaskar, Ahmedabad edition	July 19, 2018	July 13, 2018 and July 27, 2018
Noticee-4 Sanjay Kantibhai Baria	Times of India, Ahmedabad edition	July 2, 2018	Divya Bhaskar, Vadodar edition	July 19, 2018	July 13, 2018 and July 27, 2018
Noticee-26 Garima Bhandari	Times of India, Indore edition	July 2, 2018	Dainik Bhaskar, Indore edition	July 19, 2018	July 13 and July 27, 2018
Noticee -34 Pannallal Ukaram Prajapati	Times of India, Mumbai edition	July 2, 2018	Lokamat, Mumbai edition	June 30, 2018	July 13, 2018

I note that the aforementioned Noticees neither filed their reply to the charges alleged in the SCN nor appeared for personal hearing.

64. I note that despite the SCN and hearing notices having been duly served upon the Noticees 3, 4, 26 & 34 *(through newspapers),* the Noticees failed to submit their reply to the SCN and have not refuted the charges. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) wherein it, inter alia, observed that - *"........... 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".*

65. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others v SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), interalia, observed that – *"………………As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, 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……………..".*

66. In view of the above, I am of the opinion that the SCN and Notices of hearing have been duly served upon the Noticees 3,4,26 and 34 but the Noticees failed to reply and also failed to avail the opportunity of personal hearing. The principle of natural justice has been followed in the matter, as enough opportunities were provided to the Noticees to reply to the SCN and appear for hearing. Therefore, I am inclined to decide the matter ex-parte taking into account the evidence / material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

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

I. Whether the Noticees have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), 4 (2) (e) and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003?
II. Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?
III. If so, what quantum of monetary penalty should be imposed on the Noticees?

FINDINGS

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

ISSUE I: Whether the Noticees have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), 4 (2) (e) and 4 (2) (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003?

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

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

3. No person shall directly or indirectly—
(a) buy, sell or otherwise deal in securities in a fraudulent manner;
(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;
(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

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

> *(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
>
> *(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-*
> *(a) indulging in an act which creates false or misleading appearance of trading in the securities market;*
> *(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;*

70. It has been alleged that the Noticees are connected entities and have accounted for creation of artificial volume in the scrip of SPIL by way of synchronized trades, reversal trades and self-trades *(by Noticee-1)*. Further, it has been alleged that the Noticees contributed to price rise in the scrip of SPIL fraudulently by manipulating the first trades and trading among themselves at a price higher than LTP.

71. I note from the records that the 35 connected entities who are alleged to have connected to each other have traded during the period of investigation i.e., February 1, 2010 to July 30, 2010. I find from the table connection mentioned in pre-paragraph 5 above that the said entities were connected to each either by way of transfer of shares in the off-market and funds transfer among themselves. However, in respect of the Noticee No. 31 i.e., Jayesh Kuwadia, it was alleged that there was fund transfer with one of the connected entities viz., Bhavesh Pabari in the scrip of Gemstone Investments Ltd., on July 4, 2007, who alleged to have connection by way of fund transfer with another connected entity viz., Amar Premchand Walmiki. I note that the alleged fund transfer with Bhavesh Pabari took place on July 4, 2007 and from the transactions carried out by Jayesh Kuwadia, I don't see any connection with the connected entities, who are part of

this Adjudication proceedings. Therefore, I conclude that Jayesh Kuwadia is not connected to the group of entities. In respect of other Noticees, I note from the records that it is clearly established their connection with other entities based on off-market transfer shares and/or transfer of funds. In view of the above, the contentions of the Noticees that they are not connected to each other does not find any merit.

72. During the period of investigation 2,32,81,634 shares were traded in 1,30,953 trades in 126 trading days. The details of trading by the Noticees are furnished hereunder.

Noticee No.	Client Name	Total Buy	% of total buy to total traded volume	Total Buy within the group	% of Total Buy within group to total traded volume	% of total buy within group to total buy	Total Sale	% of total sale to total traded volume	Total Sale within the group	% of Total sale within group to total traded volume	% of total sale within group to total sale
1	Benko Trading Private Limited	827706	3.56	445921	1.92	53.87	828052	3.56	301480	1.29	36.41
2	Parmar Vaishali Ashvin	637473	2.74	305642	1.31	47.95	637397	2.74	298477	1.28	46.83
3	Anand Finstock Services Ltd	506475	2.18	158424	0.68	31.28	506475	2.18	274156	1.18	54.13
4	Sanjay Kantibhai Baria	568141	2.44	401783	1.73	70.72	568141	2.44	364390	1.57	64.14
5	Laxman Dhirubhai Parmar	511447	2.20	207092	0.89	40.49	507608	2.18	245270	1.05	48.32
6	Vipul Hiralal Shah	291000	1.25	206416	0.89	70.93	291000	1.25	219296	0.94	75.36
7	Navaneetlal Jeevanlal Gandhi	48573	0.21	32123	0.14	66.13	48553	0.21	35210	0.15	72.52
8	Padmini Dilipsinh Barot	149436	0.64	109792	0.47	73.47	148969	0.64	95788	0.41	64.30
9	Bharatkumar Baldevbhai Parmar	53748	0.23	13466	0.06	25.05	52403	0.23	16325	0.07	31.15
10	Mayank N Gandhi	471231	2.02	183272	0.79	38.89	470741	2.02	193435	0.83	41.09
11	Ashokkumar Bhikhalal Parmar	237454	1.02	182137	0.78	76.70	236454	1.02	211695	0.91	89.53
12	Amisha Samir Patel	125936	0.54	90250	0.39	71.66	125715	0.54	79645	0.34	63.35
13	Ragini Bipinbhai Thakkar	174539	0.75	120819	0.52	69.22	175344	0.75	134903	0.58	76.94
14	Janaki Bipin	53779	0.23	44542	0.19	82.82	51680	0.22	29388	0.13	56.87

	Thakkar										
15	Jikeshkumar Kanubhai Patel	66410	0.29	41900	0.18	63.09	66481	0.29	66475	0.29	99.99
16	Parmar Kamlaben D	465833	2.00	165740	0.71	35.58	465765	2.00	249947	1.07	53.66
17	Pandya Yaminiben M	342104	1.47	257807	1.11	75.36	341387	1.47	247415	1.06	72.47
18	Tushar Rameshbhai Patel	64130	0.28	55255	0.24	86.16	64130	0.28	57611	0.25	89.83
19	Pravinbhai Harmanbhai Patel	93041	0.40	88860	0.38	95.51	93036	0.40	90263	0.39	97.02
20	Aditi M Gandhi	301422	1.29	104121	0.45	34.54	301422	1.29	146487	0.63	48.60
21	Shobhnaben R Parmar	547323	2.35	158247	0.68	28.91	547220	2.35	277745	1.19	50.76
22	Niol Impex Private Limited	120187	0.52	98549	0.42	82.00	120187	0.52	85743	0.37	71.34
23	Rameshbhai V Parmar	194312	0.83	109243	0.47	56.22	199883	0.86	103915	0.45	51.99
24	Jayvishal Dilipsinh Barot	86228	0.37	65904	0.28	76.43	86228	0.37	71457	0.31	82.87
25	Acme Furniture Private Limite	52895	0.23	37695	0.16	71.26	52895	0.23	42840	0.18	80.99
26	Garima Bhandari	89811	0.39	64300	0.28	71.59	89811	0.39	82467	0.35	91.82
27	Kaushik Rajnikant Mehta	70176	0.30	65998	0.28	94.05	70043	0.30	35736	0.15	51.02
28	Sunil Bhandari	133585	0.57	37515	0.16	28.08	131573	0.57	63615	0.27	48.35
29	Santosh Vishram Ghadshi	370300	1.59	324734	1.39	87.69	370821	1.59	318027	1.37	85.76
30	Hardik Maheshbhai Pandya	292454	1.26	271327	1.17	92.78	232454	1.00	207674	0.89	89.34
31	Jayesh Kuwadia	10636	0.05	5646	0.02	53.08	9486	0.04	3918	0.02	41.30
32	Suresh Devendra Gupta	34753	0.15	5692	0.02	16.38	34753	0.15	24102	0.10	69.35
33	Avinash Bothra	62000	0.27	17982	0.08	29.00	62000	0.27	39058	0.17	63.00
35	Dipika Dinesh Kankaria	85695	0.37	76478	0.33	89.24	85695	0.37	76791	0.33	89.61
35	Pannalal Ukaram Prajapati	5000	0.02	450	0.00	9.00	0	0.00	0	0.00	0.00
Total		8145233	34.99	4555122	19.57	55.92	8073802	34.68	4790744	20.58	59.34

I note from the above table that the 35 Noticees bought 81,45,233 shares accounting for 35.01% of the total buy volume and sold 80,73,802 shares accounting for 34.72% of the total sell volume. The Noticees among themselves bought 45,55,122 shares and sold 47,90,744 shares which accounts for 19.57% and 20.57% of total buy and sell volume respectively. As compared to the total volume of 2,32,86,134 shares traded during the period of investigation, the Noticee's contribution on the buy side and sell side accounts for 55.92% and 59.34% respectively.

Findings w.r.t Synchronized Trades

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

74. The details of synchronized trades executed by the Noticees 1 to 6, 8, 11, 13, 16, 17, 20 to 22, 25 to 29, 33 & 35 are furnished hereunder.

Noticee No.,	Name of the Noticee	Total Buy synchronised trades	% to total buy synchronised to total traded volume	% of total buy synchronised trades to total buy	Total Sale synchronised trades	% of total sale synchronised trade to total traded volume	% of total sale synchronised trades to total sale
1	Benko Trading Private Limited	1918	0.01	0.02	0	0	0
2	Parmar Vaishali Ashvin	0	0.00	0.00	9079	0.04	0.11
3	Anand Finstock Services Ltd	0	0.00	0.00	33100	0.14	0.41
4	Sanjay Kantibhai Baria	9958	0.04	0.12	0	0.00	0.00
5	Laxman Dhirubhai Parmar	11668	0.05	0.14	0	0.00	0.00
6	Vipul Hiralal Shah	34852	0.15	0.43	15000	0.06	0.19
8	Padmini Dilipsinh Barot	0	0.00	0.00	1918	0.01	0.02
11	Ashokkumar Bhikhalal Parmar	2000	0.01	0.02	0	0.00	0.00
13	Ragini Bipinbhai Thakkar	386	0.00	0.00	0	0.00	0.00
16	Parmar Kamlaben D	0	0.00	0.00	4386	0.02	0.05
17	Pandya Yaminiben M	0	0.00	0.00	11668	0.05	0.14
20	Aditi M Gandhi	1825	0.01	0.02	1000	0.00	0.01
21	Shobhnaben R Parmar	10	0.00	0.00	2982	0.01	0.04
22	Niol Impex Private Limited	96049	0.41	1.18	85743	0.37	1.06
25	Acme Furniture Private Limite	36195	0.16	0.44	37650	0.16	0.47

26	Garima Bhandari	44300	0.19	0.54	72980	0.31	0.90
27	Kaushik Rajnikant Mehta	15000	0.06	0.18	15000	0.06	0.19
28	Sunil Bhandari	2972	0.01	0.04	0	0.00	0.00
29	Santosh Vishram Ghadshi	4000	0.02	0.05	0	0.00	0.00
33	Avinash Bothra	1980	0.01	0.02	2000	0.01	0.02
35	Dipika Dinesh Kankaria	11694	0.05	0.14	15000	0.06	0.19
	Total	**274807**	**1.18**	**3.37**	**307506**	**1.32**	**3.81**

From the above table, it is observed the Noticees were found to be indulged in synchronized trades and together bought 2,74,807 shares and sold 3,07,506 shares which in terms of total market volume, it accounts for 1.18% and 1.32% respectively. As compared to the total buy and sell volume, the synchronized buy and sell volume accounts for 3.37% and 3.81% respectively. Out of the total trading of volume of 45,55,122 shares within the Noticees, it is observed that 2,74,807 shares accounting for 3.37% of their total traded volume which is 1.18% of the total market volume, the buy and sale orders were placed in synchronized manner *(i.e., difference between placement of order by buyer and seller within one minute and order rate as well order quantity of buy side and sell side being the same).*

75. I note that out of the 126 trading days, the Noticees carried out synchronized trades on 46 trading days. The volume created by the connected entities by synchronized trades vis-à-vis the total market volume on the 46 trading days is furnished hereunder.

Trade Date	Synchronized Volume	Total Market Volume	%age of synchronized volume to the total market volume
19/02/2010	2000	85969	2.33
09/03/2010	21000	160471	13.09
16/03/2010	17990	127717	14.09
25/03/2010	17000	94652	17.96
29/03/2010	15150	415525	3.65
01/04/2010	10000	58814	17.00
06/04/2010	3600	27224	13.22
07/04/2010	14500	102376	14.16
12/04/2010	9000	60765	14.81

13/04/2010	6695	115488	5.80
15/04/2010	15000	62860	23.86
19/04/2010	16099	38186	42.16
20/04/2010	32990	74726	44.15
21/04/2010	3300	20324	16.24
26/04/2010	13188	73094	18.04
27/04/2010	8600	35401	24.29
28/04/2010	22919	99306	23.08
03/05/2010	9300	92361	10.07
04/05/2010	6000	49890	12.03
05/05/2010	4500	111304	4.04
07/05/2010	3506	48850	7.18
10/05/2010	3750	16902	22.19
11/05/2010	4200	27996	15.00
12/05/2010	6000	66432	9.03
13/05/2010	3500	39653	8.83
18/05/2010	6000	39317	15.26
19/05/2010	6000	59628	10.06
20/05/2010	4000	75544	5.29
24/05/2010	6000	45630	13.15
25/05/2010	12100	23779	50.89
26/05/2010	5000	27201	18.38
27/05/2010	12000	47902	25.05
28/05/2010	17100	61854	27.65
02/06/2010	27480	37475	73.33
03/06/2010	27000	72517	37.23
09/06/2010	14500	197757	7.33
10/06/2010	386	23374	1.65
21/06/2010	15000	98277	15.26
23/06/2010	15000	79804	18.80
02/07/2010	19852	304064	6.53
13/07/2010	1918	170038	1.13
15/07/2010	19037	1986880	0.96
19/07/2010	3290	819408	0.40
21/07/2010	10	1845841	0.00
22/07/2010	13493	1681049	0.80
28/07/2010	2972	468532	0.63
Grand Total	**497925**	**10272157**	**4.85**

76. It was also observed that by executing synchronized trades among the group entities, connected entities contribution to total market volume ranged from 2.33% on February 19, 2010 to 73.33% on June 02, 2010. It was also observed that on 2 trading days i.e., on June 2, 2010 and May 25, 2010 by entering into

synchronized trades, the group entities contributed more than 50% of the market volume. The synchronized trades volume accounts for 4.85% of the total market volume on the 46 days, when the synchronized trades were executed,

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

TRADE_DATE	TRADE_TIME	CLIENT_NAME	TRADE_QTY	TRADE_RATE	ORDER_TIME	ORDER_RATE	ORDER_QTY	CP_CLIENT_NAME	CP_ORDER_TIME	CP_ORDER_RATE	CP_ORDER_QTY
19/02/2010	10:44:00 10:44:00	ASHOKKUMAR B PARMAR	1399 & 601	152.25	10:43:59	152.25	2000	PRADEEP KUMAR	10:43:37 10:43:51	152.25	2000
29/03/2010	14.32.41	NIOL IMPEX PRIVA LIMITED	15150	163.7	14:32:41	163.7	15200	ACME FURNITURE P LIMITED	14:32:40.	163.70	15200
26/04/2010	13:23:50	DIPIKA DINESH KANKARIA	3000	178.70	13:23:48	178.70	3000	KOCHALE	13:23:49	178.70	3000
20/05/2010	14.23.03	SANTOSH VISHRAM GHADSHI	4000	181	14:23:03	181	4000	KAMLABEN DHIRUBHAI PARMAR	14:22:45.	181	4000
02/06/2010	13.21.23	NIOL IMPEX PRIVA LIMITED	2000	179.20	13:21:23	179.20	2000	AVINASH BOTHRA	13:21:20.	179.20	2000
02/06/2010	13.21.41	AVINASH BOTHRA	1980	177.05	13:21:41	177.05	2000	GARIMA BHANDARI	13:21:41.	177.05	2000
10/06/2010	15.40.16	RAGINI BIPINBHAI THAKKAR	386	178.55	15:40:15	178.55	386	KAMLABEN DHIRUBHAI PARMAR	15:40:10.	178.55	386
21/06/2010	13.15.58	KAUSHIK RAJNIKANT MEHTA	15000	179.75	13:15:58	179.75	15000	VIPUL HIRALAL SHAH	13:15:43.	179.75	15000
23/06/2010	11.47.43	VIPUL HIRALAL SHAH	15000	181	11:47:42	181	15000	KAUSHIK RAJNIKANT MEHTA	11:47:43.	181	15000
02/07/2010	13.36.17	VIPUL HIRALAL SHAH	19852	203	13:35:48	203	20000	ANAND FINSTOCKSERVICES LTD	13:36:17.	203	20000
13/07/2010	09:04:22	GGF MERCANTILE PVT., LTD.,	1918	202	09:04:22	202	2000	PADMINI D BAROT	09:03:47	202	2000
15/07/2010	09:04:22	REKHA BHANDARI	9079	227	09:41:11	227	10000	VAISHALI ASHVIN PARMAR	09:04:22	227	10000
15/07/2010	10.44.29	SANJAY KANTIBHAI BARIA	9958	232	10:44:29	232	10000	ANAND FINSTOCKSERVICES LTD	10:44:28.	232	10000
22/07/2010	10.23.23	LAXMANBHAI DHIRUBHAI PARMAR	11668	315	10:23:23	315	25000	YAMINIBEN MAHESHBHAI PANDYA	10:22:50.	315	25000
22/07/2010	14:19:23	ADITI M GANDHI	1825	328.50	14:19:23	328.50	2000	RAKESH GOKULE	14:19:21	328.50	2000
28/07/2010	11.06.50	SUNIL BHANDARI	2972	298	11:06:39	298	5000	SHOBHNABEN RAMESHBHAI PARMAR	11:06:50.	298	5000

78. From the above table, I note that the buy and sell orders for the aforesaid trades were structured in terms of quantity, price and time, as there is no difference in the buy quantity, sell quantity, buy rate and sell rate and the time difference

between order time and counter party order time are almost same. I note that there is startling proximity in the time of entering of orders at the identical price and quantity which resulted into the matching of the trades. From the trade log I further note that, such matching of trades has occurred in 206 trades over 46 days. I also note from the order log that around 94% of synchronized trades were executed within 10 seconds of placing order vis-à-vis counterparty order. The consistent pattern of placement of Orders clearly indicates meeting of minds. The fact of synchronization of trades among the Noticees also confirms that they are connected and acted with a common objective. I am of view that such synchronisation of orders, price and quantity on a regular basis cannot be considered as a mere coincidence especially when such trades were executed between entities which are already connected to each other. The fact that several orders placed by the same entities on various days were also matched clearly indicates the meeting of minds and there cannot be coincidence.

79. The Noticees in their submissions contended that some of the counterparties to the synchronized trades were not charged in the SCN. I note that the allegations levelled against the Noticees which are part of the instant proceedings only have been looked into, which is the subject matter. In this connection, I note that the Noticees cannot absolve the culpability of violation by contending that the counterparties were not being charged. Therefore, I find no merit in the submissions made by the Noticees. I also note that the Noticees had indulged in the trades as noted above which resulted in creation of artificial volumes in the scrip. Such transactions are clearly not genuine and have been entered by the Noticees for creating misleading appearance of trading in the scrip. Therefore, I conclude that the trades executed by the Noticees which were synchronized in terms of time, quantity and price, were with manipulative intent to artificially create volume in the scrip of SPIL.

80. I am of the opinion that "intention" is inherent in all cases of synchronized trading involving large scale price manipulation and the same was also brought out in the case of Nirmal Bang Securities (P) Ltd. vs SEBI by the Hon"ble SAT (Judgment dated October 31, 2003) whereby it was observed that *"Intention is reflected from*

the action of the Appellant. Choosing selective time slots does not appear to be an involuntary action."

81. Further I also note that the Hon'ble SAT in Sparkline Mercantile Co. Pvt. Ltd. Vs SEBI dated 16.01.2012 held as follows:

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

In view of the foregoing, I conclude that the Noticees 1 to 6, 8, 11, 13, 16, 17, 20 to 22, 25 to 29, 33 & 35 have created artificial volume in the scrip of SPIL by way of synchronized trades.

Findings w.r.t Reversal Trades

82. Reversal trades are the trades where the buyer and seller reverse their position with each other on same day or on different dates. Reversal trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the exchange) in repetitive manner among themselves during the investigation period.

83. The group entities were engaged in doing reversal trades by reversing their buy or sell positions with subsequent sell or buy trades on the same day with same counter party. It was observed that the connected entities had entered into reversal trades, the details of which are furnished hereunder.

No. of entities executed reversal trades	No. of reversal trades	Total traded quantity	Total reversed quantity	% of total reversed quantity to total traded quantity	% of total reversed quantity to total traded quantity during the investigation period
25 entities	181	481600	150689	31.29	0.65

It is observed from the above table that the 25 connected entities had carried out trades among themselves for 4,81,600 shares in 181 trades, out of which 1,50,689 shares were reversed. The quantum of reversal trades to the total traded quantity of these 25 connected entities and the quantum of total reversed quantity to total traded quantity during the investigation period, accounts for 31.29% and 0.65% respectively.

84. The details of the reversal trades executed by the connected entities day-wise are furnished hereunder.

Trade date	Buy Client	Sale Client	No. of trades	Total traded quantity	Total reversed quantity	Market volume for the day	%age of reversal to the market volume for the day	%age of reversal trades for the day to the market volume for the day
19/02/2010	Pradeep kumar Jasbhai Patel	Ashokkumar Bhikhalal Parmar	4	7975	5399	85969	6.28	8.03
	Ashokkumar Bhikhalal Parmar	Pradeep kumar Jasbhai Patel	4	5399				
	Rakesh Gokulbhai Patel	Shobhnaben R Parmar	1	2000	1501		1.75	
	Shobhnaben R Parmar	Rakesh Gokulbhai Patel	1	1501				
22/02/2010	Navaneetlal Jeevanlal Gandhi	Jikeshkumar Kanubhai Patel	7	9000	1000	98887	1.01	1.01
	Jikeshkumar Kanubhai Patel	Navaneetlal Jeevanlal Gandhi	3	1000				
16/04/2010	Amar Premchand Walmiki	Laxman Dhirubhai Parmar	2	2900	2900	66067	4.39	4.39
	Laxman Dhirubhai Parmar	Amar Premchand Walmiki	9	10000				
26/05/2010	Pravinbhai Harmanbhai Patel	Pandya Yaminiben M	1	3500	2	27201	0.01	0.01
	Pandya Yaminiben M	Pravinbhai Harmanbhai Patel	1	2				
09/06/2010	Anand Finstock Services Ltd	Sanjay Kantibhai Baria	3	15000	15000	197757	7.59	7.64
	Sanjay Kantibhai Baria	Anand Finstock Services Ltd	4	20000				
	Rakesh Gokulbhai Patel	Sanjay Kantibhai Baria	1	100	100		0.05	
	Sanjay Kantibhai Baria	Rakesh Gokulbhai Patel	3	14979				

17/06/2010	Padmini Dilipsinh Barot	Bharatkumar Baldevbhai Parmar	2	2000	1901	33889	5.61	5.61
	Bharatkumar Baldevbhai Parmar	Padmini Dilipsinh Barot	1	1901				
18/06/2010	Aditi M Gandhi	Bharatkumar Baldevbhai Parmar	1	1550	1237	104204	1.19	1.19
	Bharatkumar Baldevbhai Parmar	Aditi M Gandhi	1	1237				
01/07/2010	Anand Finstock Services Ltd	Bharatkumar Baldevbhai Parmar	1	50	3080	272856	1.13	1.13
	Bharatkumar Baldevbhai Parmar	Anand Finstock Services Ltd	3	3080				
08/07/2010	Padmini Dilipsinh Barot	Sanjay Kantibhai Baria	1	1000	998	388274	0.26	0.26
	Sanjay Kantibhai Baria	Padmini Dilipsinh Barot	1	998				
09/07/2010	Sanjay Kantibhai Baria	Parmar Vaishali Ashvin	2	7973	125	737462	0.02	0.02
	Parmar Vaishali Ashvin	Sanjay Kantibhai Baria	1	125				
14/07/2010	Ragini Bipinbhai Thakkar	Sanjay Kantibhai Baria	1	2715	2715	1394236	0.19	0.2
	Sanjay Kantibhai Baria	Ragini Bipinbhai Thakkar	3	9995				
	Padmini Dilipsinh Barot	Amisha Samir Patel	3	4850	200		0.01	
	Amisha Samir Patel	Padmini Dilipsinh Barot	1	200				
15/07/2010	Benko Trading Private Limited	Mayank N Gandhi	7	9590	4974	1986880	0.25	0.95
	Mayank N Gandhi	Benko Trading Private Limited	2	4974				
	Benko Trading Private Limited	Sanjay Kantibhai Baria	2	6540	4852		0.24	
	Sanjay Kantibhai Baria	Benko Trading Private Limited	1	4852				
	Benko Trading Private Limited	Parmar Vaishali Ashvin	1	3779	3779		0.19	
	Parmar Vaishali Ashvin	Benko Trading Private Limited	5	16287				
	Anand Finstock Services Ltd	Ragini Bipinbhai Thakkar	1	1100	1100		0.06	
	Ragini Bipinbhai Thakkar	Anand Finstock Services Ltd	2	7301				
	Rekha Bhandari	Parmar Vaishali Ashvin	1	9079	4232		0.21	
	Parmar Vaishali Ashvin	Rekha Bhandari	2	4232				
16/07/2010	Benko Trading Private Limited	Anand Finstock Services Ltd	1	24096	24096	1090498	2.21	3.41
	Anand Finstock Services Ltd	Benko Trading Private Limited	9	25436				
	Benko Trading Private Limited	Amar Premchand Walmiki	2	3118	2910		0.27	
	Amar Premchand Walmiki	Benko Trading Private Limited	1	2910				
	Benko Trading Private Limited	Janaki Bipin Thakkar	3	2620	2620		0.24	
	Janaki Bipin Thakkar	Benko Trading Private Limited	3	4853				

16/07/2010	Benko Trading Private Limited	Laxman Dhirubhai Parmar	3	10102	2555		0.23	
	Laxman Dhirubhai Parmar	Benko Trading Private Limited	2	2555				
	Benko Trading Private Limited	Parmar Kamlaben D	5	12991	37		0.00	
	Parmar Kamlaben D	Benko Trading Private Limited	1	37				
	Benko Trading Private Limited	Parmar Vaishali Ashvin	3	5008	5008		0.46	
	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	7603				
20/07/2010	Benko Trading Private Limited	Pandya Yaminiben M	5	22830	16197	941830	1.72	1.72
	Pandya Yaminiben M	Benko Trading Private Limited	1	16197				
21/07/2010	Benko Trading Private Limited	Mayank N Gandhi	1	2151	2151	1845841	0.12	0.15
	Mayank N Gandhi	Benko Trading Private Limited	1	2426				
	Benko Trading Private Limited	Parmar Vaishali Ashvin	2	6570	500		0.03	
	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	500				
22/07/2010	Benko Trading Private Limited	Mayank N Gandhi	3	14595	842	1681049	0.05	0.36
	Mayank N Gandhi	Benko Trading Private Limited	1	842				
	Benko Trading Private Limited	Laxman Dhirubhai Parmar	1	3680	3428		0.31	
	Laxman Dhirubhai Parmar	Benko Trading Private Limited	1	3428				
23/07/2010	Benko Trading Private Limited	Laxman Dhirubhai Parmar	1	3362	854	815548	0.10	3.01
	Laxman Dhirubhai Parmar	Benko Trading Private Limited	1	854				
	Benko Trading Private Limited	Amisha Samir Patel	7	6385	121		0.01	
	Amisha Samir Patel	Benko Trading Private Limited	1	121				
	Benko Trading Private Limited	Vipul Hiralal Shah	1	4510	4510		0.55	
	Vipul Hiralal Shah	Benko Trading Private Limited	1	5000				
	Benko Trading Private Limited	Parmar Kamlaben D	3	12500	5260		0.64	
	Parmar Kamlaben D	Benko Trading Private Limited	2	5260				
23/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	2	4543	3843		0.47	
	Parmar Vaishali Ashvin	Benko Trading Private Limited	1	3843				
	Amisha Samir Patel	Vipul Hiralal Shah	2	12400	9930		1.22	
	Vipul Hiralal Shah	Amisha Samir Patel	12	9930				

28/07/2010	Benko Trading Private Limited	Parmar Vaishali Ashvin	1	8923	2447	468532	0.52	0.60
	Parmar Vaishali Ashvin	Benko Trading Private Limited	3	2447				
	Tushar Rameshbhai Patel	Parmar Vaishali Ashvin	1	22875	385		0.08	
	Parmar Vaishali Ashvin	Tushar Rameshbhai Patel	1	385				
Total			**181**	**481600**	**150689**	**12151011**	**1.24**	

85. I note from the above table that the connected entities reversed 1,50,689 shares out of the 4,81,600 shares traded among themselves in 181 trades on 18 days. I note from the above table that by executing reversal trades, the connected entities' contribution to total market volume on those days was in the range of 0.01% to 8.03%. I also note that on three occasions, the Noticees contributed more than 5% of the market volume by reversing their trades. I note that reversal of trade per is considered to be deliberate as it has two legs, one, of trade and other of reversal and both matching with same person / counterparty cannot be a matter of chance especially when such trades happen repeatedly. The fact of reversal of trades among the Noticees also confirms that they are connected and acted with a common objective. I note that persistent trading in the aforesaid manner clearly indicates an intention to create artificial volume in the scrip of SPIL. Such trades clearly indicate that the same were not genuine trades as there was no change in beneficial ownership. Therefore, I conclude that the Noticee 1 to 6, 9 to 14 & 17 have indulged in reversing their trades among themselves for the purpose of creation of artificial volume and to create false and misleading appearance of trading in the scrip of SPIL without the intention of change of actual beneficial ownership.

86. Further, with respect to the synchronised and reversal of trades carried out by the Noticees, I note that the Hon'ble Supreme Court in the matter of SEBI vs. Rakhi Trading Private Ltd., in Civil appeals no., 1969 of 2011 with Civil Appeal Nos., 3174-3177 of 2011 and Civil Appeal No., 3180 of 2011 decided on February 8, 2018 had observed that *"the price discovery system itself was affected by synchronization and rapid reverse trade, which also had the impact of excluding other investors from participating in the market. The Supreme Court, therefore*

found that the traders having engaged in a fraudulent and unfair trade practice while dealing in securities, are hence liable to be proceeded against for violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations". The Apex Court also observed that "considering the reversal transactions, quantity, price and time and sale, parties being persistent in the number of such trade transactions with huge price variations, it will be too naïve to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the board's circular. The impugned transactions are manipulative/deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities."

87. Keeping in mind the dicta of the Hon'ble SAT and Hon'ble Supreme Court as reproduced above, I see no reason to take a different view in the present case. In view of the foregoing, I hold that the charges levelled against the Noticees with respect to synchronisation of trade and reversal of trade stands established. I find that the manipulative trading practices indulged into by the Noticees cannot be viewed independently and have to be viewed collectively as the overall impact of the synchronized & reversal trading done by the group of entities on the market in the scrip of SPIL on the days when the synchronized & reversal trades were executed was significant.

88. I note that some of the Noticees had requested for a copy of the entire investigation period while replying to the charges alleged in the SCN. In this regard, I note that the relevant extract of the investigation report formed part of the SCN and all the documents which were relied upon and referred to in the SCN were provided to the Noticees in soft format *(compact disk – CD).* Therefore, I find that all the relevant material in the present proceedings was duly provided to the Noticees. Further, some of the Noticees contended that the complete details of alleged reversal trades were not provided to them. In this connection, I would like to refer to the SCN, wherein all the details of reversal trades, day-wise & entity-wise provided, besides trade and order details of the reversal trades *(in soft format – CD)* and reversal among the connected entities

(in soft format - CD) were provided. Therefore, the contention of the Noticees does not find merit.

Findings w.r.t Self-trades

89. It was also alleged that the Noticee-1 had indulged in Self-trades, where the seller and the buyer in a particular trade remains the same person and no actual beneficial ownership of such transactions is changed. Self-trades create artificial/fictitious volume in the market and give a false and misleading appearance of trading in the scrip at the stock exchange Summary of self-trades executed by the Noticee 1 is given hereunder.

Sl. No.	PAN	Client Name	Total Buy	Total Sale	Self-Trade Qty	% of Self Traded quantity to total buy	% of Self Traded quantity to total Sale	% of total Self trades to total traded volume	No of Self trades	No. of days
1	AAACB3323L	Benko Trading Private Limited	827706	828052	45093	5.45	5.45	0.19	10	2

90. In this connection, I would like to refer to the judgements of Hon'ble SAT pertaining to self-trades.

(i) *Hon'ble Securities Appellate Tribunal (SAT) in the matter of Balwinder Singh v. SEBI (2013), observed that that self-trades (or wash-trades) are per se not allowed under SEBI Act and regulations made thereunder.*

(ii) *In Chirag Tanna v. The Adjudicating Officer (2013), Hon'ble SAT held that self - trades are, admittedly, fictitious and create artificial volumes in the traded scrip.*

(iii) *In Triumph International Finance Ltd v. SEBI (2007), Hon'ble SAT observed that self-trades were fictitious because the buyer and the seller were the same.*

(iv) *Further, in Systematix Shares & Stocks India Limited v. SEBI (2012), Hon'ble SAT observed that trades, "where beneficial ownership is not transferred, are admittedly manipulative in nature."*

(v) *In HJ Securities Pvt Ltd v. SEBI (2012), Hon'ble SAT even made the observation that simply because the number of such self-trades is not large by itself cannot justify execution of self-trades*

91. I note that self-trades executed by Noticee per se did not result in change in beneficial ownership. Although self- trades by the face of it implies no transfer of beneficial ownership, it is necessary to look into the attending circumstances of the case. I note that, The Hon'be SAT in case of Ketan Parekh v. SEBI (Appeal No. 2 of 2004) decided on July 14, 2006, had categorically held that in order to find out whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism, will depend upon the intention of the parties which could be inferred from the attending circumstances of the cases, because direct evidence in such cases may not be available. Therefore, I would like to dwell upon the attending circumstances resulting into execution of self-trades by the Noticee-1.

92. I note that all the alleged self-trades were executed by Noticees through same stock broker viz., SSJ Finance & Securities Pvt., Ltd., on July 15 & 19, 2010. Further, I also consider it necessary to examine self-trades in the context of reversal and synchronised trades so as to ascertain whether the intention factored in such self-trades. In this regard, I note from my observations made in the preceding paragraphs that intention of the Noticee has been clearly established with respect to such reversal and synchronised trades. Further, on the same lines, I now proceed to analyse the volume of self-trades.

93. During the period of investigation the Noticee-1 had bought 8,27,706 shares and sold 8,28,052 shares, which was equivalent to 3.55% of the total traded volume. Out of these, 45,093 shares were executed through 10 self-trades in 2 days, which is equivalent to 5.45% of total buy and sell of the Noticee.

94. I note that the buy and sell orders placed by Benko were not synchronised as the buy price and sell price were not same., though buy and sell quantity were same as mentioned above. I also note the self-trades didn't have much impact on the price of the scrip as they were carried out at the market price and it resulted change in Last Traded Price (LTP) ₹ 0.40

95. Brief analysis of trading pattern in the scrip of SPIL vis-à-vis the trades executed by Benko through the Noticee on July 15 and 19, 2010 is tabulated hereunder.

Date	No., of shares traded	No., of trades	No., of shares traded by Benko	No., of trades of Benko	No., of shares executed through self-trades by Benko through the Noticee	No., of self-trades executed by Benko through the Noticee	%age to total no., of shares traded	%age to total no., of trades	%age of shares executed through self-trades to total no., of shares traded by Benko	%age of self-trades to total no., of trades of Benko
15 July 2010	1986880	15332	231847	568	43826	9	2.20	0.058	18.90	1.58
19 July 2010	819408	6710	97195	381	1267	1	0.15	0.014	1.30	0.26

96. From the above table, it is observed that the percentage of shares executed through self-trades to total number of shares traded on July 15 and 19, 2010 was 2.20% and 0.15% respectively. In terms of total number of trades, the percentage of self-trades on July 15 and 19, 2010 was 0.058% and 0.014% respectively.

97. It is observed that on July 15, 2010 Benko had traded in 2,31,847 shares in 568 trades, out of which no., of shares executed through self –trades are 43,826 in 9 trades, which in percentage terms is 18.90%. Similarly, on July 15, 2010 Benko had traded in 97,195 shares in 381 trades, out of which 1,267 shares executed through in a single self-trade. It is noted that self-trades of Benko constituted around 19 % of its total trading on July 15, 2010 which is significant.

98. Self-trades are those trades executed on the stock market in which the same entity is both the buyer and the seller. I am of the view that such trades do not represent a real change in beneficial ownership of the security, which is akin to creation of artificial volume. Since it does not make business sense to buy and sell to self, it would be a potent tool in the hands of client to create artificial volumes on stock exchange platform.

99. Pursuant to detailed analysis as brought out above, it is established that self-trades executed by the Noticee-1 are not normal transactions and it clearly demonstrates beyond reasonable doubt that the Noticee knowingly engaged in execution of self-trades. In view of the above, I am inclined to hold that there was a manipulative intent of self-trades by the Noticee-1 to create artificial volume in the scrip of SPIL.

100. I have perused the case laws referred to by the Noticee in respect of Orders passed by the Ld., Adjudicating Officers in the cases of execution of self-trades. In this regard, I would like to refer to the Order of the Hon'ble Securities Appellate Tribunal (SAT) in the matter of Hybrid Financial Services Limited Vs. SEBI (Appeal No.119 of 2014 and Order dated June 12, 2014), wherein SAT had observed as follows:

"……. argument that penalty imposed on appellant is excessive compared to penalty imposed in the case of M/s. Kamalakshi Finance Corporation Ltd. (supra) and Gupta Carpet International Ltd. is also without any merit, because, firstly, nothing is brought on record to show that facts in that case are similar to the facts in the present case. Secondly, assuming that excessive relief is granted by SEBI in some cases, it does not mean that in all other cases similar reliefs should be granted especially when the Regulations prescribe stringent action for non-compliance of disclosure provisions which are mandatory….."

From the facts of the instant case vis-à-vis the Orders passed by the Learned Adjudicating Officers, which were referred to by the Noticee, it does not find merit as the facts of the instant case are different from what is being referred to.

101. Further, the Noticee had placed reliance on a policy note of SEBI dated May 16, 2017 on self-trades. I note that self-trades executed by the Noticee were intentional and it is not a mere occurrence, which can be corroborated from the fact the Noticee had contributed substantially to the trading volume on the days when self-trades were executed. Based on the evidence available in the instant

proceedings, I find that self-trades executed by the Noticee were manipulative to artificially increase the volume of SPIL, which can be seen from the above paragraphs. Therefore, having considered the facts in the present case vis-à-vis the policy note of SEBI dated May 16, 2017, I note that the elements of intent and manipulation are present in the instant case.

Findings w.r.t LTP analysis

102. I note that the price of the SPIL scrip opened at ₹ 116.30 on February 1, 2010, touched a high of ₹ 339.40 on July 23, 2010 and closed at ₹ 280.90 on July 30, 2010, thereby registering an increase of ₹ 164.60. During the period of investigation, 1,30,953 trades were carried out for the total traded quantity of 2,32,81,634 shares.

103. The details of LTP analysis carried out for the entire investigation period is furnished hereunder.

	Above LTP				Less than LTP				At LTP			Net impact	Total Trades	Total Shares
	No of trades	Total shares	% of total shares to total traded volume	Gross increase in price	No of trades	Total shares	% of total shares to total traded volume	Gross fall in price	No of trades	Total shares	% of total shares to total traded volume			
During the period of investigation	32063	6908069	29.67	11077.75	29890	4282700	18.40	-10913.15	69000	12090865	51.93	164.60	130953	23281634
The group entities buy trades	4825	3485326	14.97	1829.30	1643	1396725	6.00	-689.4	8652	4956196	21.29	1139.90	15120	9838247
The group entities trades within the group	590	1814418	7.79	234.7	323	792068	3.40	-174	1412	2921783	12.55	60.70	2325	5528269
Other than group buy trades	27238	3422743	14.70	9248.45	28247	2885975	12.40	-10223.75	60348	7134669	30.65	-975.3	115833	13443387

104. I note from the above table that during the period of investigation, 32,063 trades were executed above LTP for 69,08,069 shares which resulted in gross increase price of ₹11,077.75. I also note that 29,890 trades were executed less than LTP for 42,82,700 shares, which resulted in gross fall in price of ₹10,913.15. After taking into consideration the gross increase in price vis-à-vis the gross fall in price, the net impact of the share price was ₹164.60. Out of the 32,063 trades,

which were executed above LTP, I note that the connected entities among themselves traded in 590 trades for 18,14,418 shares, which resulted in gross increase in price of ₹234.70. Out of the 29,890 trades, which were executed less than LTP, I note that the connected entities among themselves traded in 323 trades, which resulted in gross fall in price of ₹-174. Considering the gross increase in price above LTP and gross fall in price less than LTP, I note that the trades of the connected entities among themselves had net impacted the share price for ₹ 60.70. I note that as compared to the total price increase of ₹ 164.60, the connected entities by trading among themselves had contributed to 36.88% of the total increase in the share price, which is substantial.

105. The details of individual contribution to change in the price of the scrip by entering into buy transaction within the connected entities are furnished here under:

Sl. No.	Client Name	No of trades	No of trades above LTP	Gross increase in price	No of trades less than LTP	Gross fall in price	No of trades at LTP	Net impact
1	Amar Premchand Walmiki	66	4	0.25	13	-2.95	49	-2.7
2	***Ashokkumar Bhikhalal Parmar***	***228***	***16***	***8.25***	***7***	***-2.5***	***205***	***5.75***
3	***Hardik Maheshbhai Pandya***	***56***	***16***	***2.75***	***5***	***-1.3***	***35***	***1.45***
4	Jignesh Chandrakant Shah	40	2	2.25	13	-3.9	25	-1.65
5	Nareshbhai Devabhai Patel	25	4	1.35	4	-2.85	17	-1.5
6	***Shobhnaben R Parmar***	***46***	***19***	***8.5***	***5***	***-1.65***	***22***	***6.85***
7	Pradeep kumar Jasbhai Patel	12	2	0.3	6	-1.25	4	-0.95
8	***Pravinbhai Harmanbhai Patel***	***99***	***9***	***6.15***	***9***	***-3.25***	***81***	***2.9***
9	***Rameshbhai V Parmar***	***53***	***19***	***12.55***	***5***	***-0.85***	***29***	***11.7***
10	Shreedhar Yellaiah Kodam	15	3	0.55	1	-2.75	11	-2.2
11	***Laxman Dhirubhai Parmar***	***185***	***23***	***14.8***	***7***	***-1.1***	***155***	***13.7***
12	***Navaneetlal Jeevanlal Gandhi***	***25***	***7***	***2.85***	***8***	***-2.5***	***10***	***0.35***
13	***Pandya Yaminiben M***	***75***	***23***	***13***	***9***	***-11.75***	***43***	***1.25***
14	***Parmar Kamlaben D***	***48***	***21***	***4***	***5***	***-1.45***	***22***	***2.55***
15	Dhirubhai Antolbhai Parmar	160	10	5.4	8	-16.35	142	-10.95
16	***Jikeshkumar Kanubhai Patel***	***45***	***9***	***6.4***	***7***	***-4.1***	***29***	***2.3***
17	***Mayank N Gandhi***	***58***	***24***	***8.55***	***9***	***-2.25***	***25***	***6.3***
18	***Aditi M Gandhi***	***33***	***12***	***3.8***	***7***	***-1.9***	***14***	***1.9***

19	***Padmini Dilipsinh Barot***	***69***	***15***	***12.4***	***7***	***-3.25***	***47***	***9.15***
20	***Jayvishal Dilipsinh Barot***	***35***	***14***	***8.55***	***4***	***-1.4***	***17***	***7.15***
21	Ragini Bipinbhai Thakkar	66	15	5.95	9	-6	42	-0.05
22	***Janaki Bipin Thakkar***	***26***	***7***	***2.5***	***1***	***-0.05***	***18***	***2.45***
23	***Amisha Samir Patel***	***56***	***11***	***3.6***	***14***	***-3.3***	***31***	***0.3***
24	***Anand Finstock Services Ltd***	***42***	***27***	***8.65***	***4***	***-1.15***	***11***	***7.5***
25	*Anil Saini*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
26	***Avinash Bothra***	***5***	***2***	***0.15***	***0***	***0***	***3***	***0.15***
27	***Benko Trading Private Limited***	***120***	***47***	***3.95***	***3***	***-0.3***	***70***	***3.65***
28	***Bharatkumar Baldevbhai Parmar***	***16***	***6***	***1.5***	***0***	***0***	***10***	***1.5***
29	*Bhupesh Harishchandra Rathod*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
30	*Chandrakant Bhiva Gavade*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
31	***Dipika Dinesh Kankaria***	***18***	***8***	***1.35***	***7***	***-1.3***	***3***	***0.05***
32	***Jayesh Kuwadia***	***6***	***2***	***0.9***	***0***	***0***	***4***	***0.9***
33	***Kaushik Rajnikant Mehta***	***15***	***3***	***2.45***	***1***	***-0.25***	***11***	***2.2***
34	***Pannalal Ukaram Prajapati***	***1***	***1***	***0.1***	***0***	***0***	***0***	***0.1***
35	Parmar Vaishali Ashvin	95	28	6.5	15	-8.35	52	-1.85
36	Rakesh Gokulbhai Patel	17	2	0.95	9	-21.5	6	-20.55
37	Rekha Bhandari	6	3	0.15	2	-0.6	1	-0.45
38	Samir Sureshchandra Shah	20	6	1.75	2	-2.25	12	-0.5
39	Samirkumar Kanubhai Patel	3	1	0.05	1	-0.05	1	0
40	***Sanjay Kantibhai Baria***	***103***	***34***	***23.35***	***30***	***-16.7***	***39***	***6.65***
41	***Santosh Vishram Ghadshi***	***70***	***11***	***1.85***	***3***	***-0.35***	***56***	***1.5***
42	*Shah Samir Sureshbhai HUF*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
43	Shalin Kiritkumar Parikh	8	4	0.6	2	-1.05	2	-0.45
44	Shantadevi	1	0	0	1	-0.05	0	-0.05
45	*Shanti Vinimay Pvt Ltd*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
46	***Sunil Bhandari***	***16***	***8***	***1.75***	***1***	***-0.1***	***7***	***1.65***
47	***Suresh Devendra Gupta***	***11***	***3***	***0.85***	***0***	***0***	***8***	***0.85***
48	***Tushar Rameshbhai Patel***	***6***	***3***	***0.4***	***0***	***0***	***3***	***0.4***
49	***Vipul Hiralal Shah***	***32***	***2***	***1.1***	***2***	***-0.15***	***28***	***0.95***
50	***Acme Furniture Private Limited***	***15***	***10***	***5.75***	***5***	***-1.1***	***0***	***4.65***
51	Sunil Maloo And Sons HUF	3	1	0.05	2	-0.45	0	-0.4
52	***Garima Bhandari***	***29***	***12***	***6.15***	***14***	***-3.6***	***3***	***2.55***
53	***Niol Impex Private Limited***	***40***	***23***	***20***	***13***	***-4.4***	***4***	***15.6***
54	Ashok Kumar	37	19	4.7	18	-16.4	0	-11.7
55	Narendra Panwar	37	18	1.9	15	-10.15	4	-8.25
56	Kochale Santosh	32	21	3.1	10	-5.1	1	-2
Total		2325	590	234.7	323	-174	1412	60.70

106. I note from the above table that the contribution of the Noticees in the price rise ranged from ₹0.10 to ₹9.15. Further, in respect of Noticee 31 i.e., Jayesh Kuwadia, the connection of the Noticee with other Noticees could not be

established, which was discussed in para 71 above, I am inclined to take into consideration the submissions made by the Noticee that the trades were executed at the above LTP which resulted in price increase of ₹ 0.90, was incidental. Therefore, the charge against the Noticee-31 that he has contributed to the price rise in the scrip of SPIL does not stand established.

107. Further, following two entities also contributed toward positive LTP by indulging in reversal trades.

Sl. No.	Name of the client	No. of Buy trades	Total Buy Quantity	No. of Sale trades	Total Sale Quantity	Net LTP contribution
1	Parmar Vaishali Ashvin	15	35422	13	68750	0.60
2	Ragini Bipinbhai Thakkar	3	10016	4	11095	0.25

108. The Noticees in their replies contended that their contribution of trades which were executed by them were above LTP were so miniscule in number that they cannot be said to have created any artificial volume and there is no basis or evidence or material on record to suggest any kind of price manipulation. I note from the replies of the Noticees that they are comparing their trades to the total trades and their contribution of LTP to the total LTP i.e., ₹ 11,077.75. However, as discussed in pre-paragraphs, wherein, it has been established that the Noticee by trading among themselves above LTP had contributed to price rise of ₹ 60.70, out of the total price increase of ₹ 164.60, which is 36.88% of the total increase in the share price, which is substantial. Therefore, the contention of the Noticees does not find merit.

109. In this connection, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"… but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher*

price in most of his trades, the Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafide intention of the appellant."

110. In view of the above, I conclude that the Noticee at Sl. No. 1, 3-12, 14-30, 32-35 who are connected to each other had while acting in tandem placed buy orders at rates above LTP and thereby manipulated the price of the scrip of SPIL.

Findings w.r.t First Trade (FT) Analysis

111. Analysis of the first trades during the investigation period was carried out to identify if any of the connected entity had influenced the first trade of the day to inflate the price of the scrip. The analysis of the first trades during the investigation period are as under.

	Above LTP				Less than LTP				At LTP			Net impact (₹)	Total First Trades	Total volume of first trades
	No of trades above LTP	Total shares	% of total shares to total volume of first trades	Gross increase in price (₹)	No of trades less than LTP	Total shares	% of total shares to total volume of first trades	Gross fall in price (₹)	No of trades at LTP	Total shares	% of total shares to total volume of first trades			
During the period of investigation	83	63,366	65.60	256.35	38	32,287	33.43	- 160.15	5	935	0.97	96.20	126	96,588
The connected entities buy trades	39	39,401	40.79	144.20	2	5,000	5.18	-2.05	1	500	0.52	142.15	42	44,901
The connected entities trades within the connected entities	10	23,513	24.34	22.65	2	5,000	5.18	-2.05	1	500	0.52	20.60	13	29,013
Other than connected entities buy trades	44	23965	24.81	112.15	36	27287	28.25	-158.1	4	435	0.45	-45.95	84	51,687

112. During the period of investigation there were 126 First trades contributing to 96,588 shares. From the above table I note that during the period of investigation 83 first trades were executed above LTP for 63,366 shares which resulted in gross increase price of ₹256.35. I also note that 38 first trades were executed

less than LTP for 32,287 shares, which resulted in gross fall in price of ₹160.15. After taking into consideration the gross increase in price vis-à-vis the gross fall in price, the net impact of the share price was ₹96.20. Out of the 83 first trades, which were executed above LTP, I note that the connected entities among themselves traded in 10 trades for 23,513 shares, which resulted in gross increase in price of ₹22.65. Out of the 38 trades, which were executed less than LTP, I note that the connected entities among themselves traded in 2 trades, which resulted in gross fall in price of ₹-2.05. Considering the gross increase in price above LTP and gross fall in price less than LTP through first trades, I note that the trades of the connected entities among themselves had net impacted the share price for ₹ 20.60. I note that as compared to the total price increase of ₹ 96.20 through first trades, the connected entities by trading among themselves had contributed to 21.41% of the total increase in the share price, which is substantial.

113. The details of individual contribution to change in the price of the scrip by entering into first trades are given below:-

Sl. No.	Name of client	No of First trades	Gross increase in price	No of first trades within the connected entities	Gross increase in price
1	Anand Finstock Services Ltd	2	7.25	1	1.1
2	Ragini Bipinbhai Thakkar	3	4.7	1	0.2
3	Navaneetlal Jeevanlal Gandhi	2	9.45	0	0
4	Pravinbhai Harmanbhai Patel	1	2.5	0	0
5	Jignesh Chandrakant Shah	2	5.75	1	-0.55
6	Mayank N Gandhi	6	21.45	1	0
7	Aditi M Gandhi	2	5.9	0	0
8	Padmini Dilipsinh Barot	2	6.9	1	5.05
9	Jayvishal Dilipsinh Barot	2	7.55	1	1.15
10	Sanjay Kantibhai Baria	2	5.45	2	5.45

11	Ashokkumar Bhikhalal Parmar	1	1.05	1	1.05
12	Pandya Yaminiben M	5	28.15	1	5.65
13	Bharatkumar Baldevbhai Parmar	1	3.5	0	0
14	Dhirubhai Antolbhai Parmar	3	4.35	1	-1.5
15	Laxman Dhirubhai Parmar	2	9.1	1	0.95
16	Shobhnaben R Parmar	2	4.05	1	2.05
17	Rameshbhai V Parmar	3	10.85	0	0
18	Vipul Hiralal Shah	1	4.2	0	0
Grand Total		**42**	**142.15**	**13**	**20.60**

114. I note from the above table that the contribution of the Noticees in the price rise ranged from ₹0.95 to ₹5.65. In view of the above analysis, I conclude that the, Noticees at sl. no. 3 - 5, 8, 11, 13, 17, 21 and 24 were involved in manipulating the price of the scrip through first trades by placing buy orders above LTP among themselves and contributed to the price rise of the scrip.

115. I note that some of the Noticees placed reliance on the judgements passed by the Hon'ble Supreme Court and Hon'ble SAT in their defence. I have carefully perused the said judgments and observed that these are not related to the facts and circumstances of the present case, and hence, are not applicable towards the present proceedings.

116. Further, some of the Noticees have submitted that there were not aware of any of dealings in their demat and bank account as they voluntarily lent their demat and bank account to third party named Paras Chaplot for monetary consideration of ranging from ₹ 3,000 to ₹ 5,000/- per month, on the advice of their well-wishers. I am of the view that the Noticees cannot avoid the responsibility for misuse of their accounts by third parties by merely stating that they do not know the purpose for which their accounts were used. Name lending is a serious offence which enables manipulators to carry out their nefarious activities by masking their

identity and the ultimate beneficiary of manipulative scheme of things. In the instant case, even if it is accepted that Paras Chaplot was the operator and had used the bank / demat accounts of Noticee, there are no records of any of his dealings in the scrip of SPIL and therefore had escaped the regulatory supervision / surveillance which not only threatens the integrity of the market but also adversely affects the interest of investor, if such activities remain unchecked. Therefore, I am not inclined to view the acts of voluntary name lending by Noticees leniently, as such acts have facilitated market operators to devise and deploy deceptive, fraudulent and manipulative schemes in the scrip of SPIL. In this regard, I take note of the observation of The Hon'ble Securities Appellate Tribunal in Rahul H. Shah Vs. SEBI (Appeal No. 83 of 2012 decided on May 11, 2012) wherein, Hon'ble SAT observed that name lending *"is a fraudulent activity and requires to be curbed for maintaining the sanctity of the securities market".* Therefore, I am not inclined to take into account the submissions made by some of the Noticees about lending of their bank / demat / trading accounts.

117. From the foregoing, it is established that the Noticees had indulged in synchronized, reversal trades and executed self-trades, which are manipulative / unfair / fraudulent in nature as discussed above. Further, it is also established that the Noticees had contributed to price rise in the scrip by repeatedly placing buy order with the group entities at a price higher than LTP and by manipulating the first trades of the day with the group entities by placing buy orders at a higher price than LTP. Therefore, I conclude that the Noticees had violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), and 4 (2) (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. In respect of the Noticee No. 31, since there is no direct connection established with other Noticees and that the trades of the Noticee with other group entities were incidental, the SCN issued to the Noticee No. 31 is disposed-off, without imposing any penalty.

ISSUE -2: Does the violation, if any, attract monetary penalty under Section 15HA of SEBI Act.?

118. Pursuant to detailed analysis as brought out above, it is established that synchronized trades, reversal trades and self-trades *(Noticee-1)* executed by the Noticees are not normal transactions and it clearly demonstrates beyond reasonable doubt the Noticees had intentionally executed these trades and manipulated the volume by artificial trading pattern, which had mislead the investors in taking an informed decision in dealing in the scrip of SPIL. I find that the Noticees by creating artificial volume with the intention of no change in beneficial ownership, leading to false and misleading appearance of trading in the scrip of CTL, have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), and 4 (2) (g) of SEBI (PFUTP) Regulations, 2003. Therefore, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act.

119. Further, the Noticees by contributing to price rise in the scrip fraudulently by repeatedly placing buy orders with group entities at a price higher than LTP and by manipulating the first trades of the day by placing buy orders at a price higher than LTP, have violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a), 4 (2) (b), and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003. Therefore, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act, the provisions of which are furnished hereunder.

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

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

ISSUE – 3: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

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

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

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

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

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

(c) the repetitive nature of the default.

121. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees' default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of default.

122. It is difficult, in cases of such nature, to quantify with mathematical precision the disproportionate gains or unfair advantage enjoyed by an entity and the consequent loss suffered by the investors. The Noticees which are connected with each other on the basis of off-market transfers and funds transfers among themselves, had executed a large number of synchronised trades wherein the price, quantity and time of orders are matched amongst themselves and further executed reversal of trades wherein at the end of the day, the shares were transferred back to the originating party. Further, the Noticees had contributed to price rise in the scrip fraudulently by repeatedly placing buy orders with group entities at a price higher than LTP and by manipulating the first trades of the day by placing buy orders at a price higher than LTP. General Public could have been carried away by the unusual rise in the volumes and prices in the scrip of SPIL

and induced into investing in the said scrip. This kind of activity seriously affects the normal price discovery mechanism in the securities market. People who indulge in manipulative, fraudulent and deceptive transaction, or abet the carrying out of such transaction which are fraudulent and deceptive should be suitably penalized for such acts of omissions and commissions.

ORDER

123. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, 1995, I hereby impose the following penalties on the Noticees under Section 15HA of the SEBI Act, 1992, for indulging in irregular trading activities viz. synchronised trading, reversal trading & self-trades for creating artificial volume and misleading appearance of trading and for contributing to price rise fraudulently, in the scrip of SPIL.

<table>
<tr><th>Noticee No.</th><th>Name of the Noticee</th><th>Nature of violations</th><th>Violation of SEBI (PFUTP) Regulations</th><th>Penalty amount in ₹ and words</th></tr>
<tr><td>1.</td><td>Benko Trading Private Limited</td><td rowspan="9">The Noticees (i.e. Sl. No. 1 – 6, 8, 11, 13, 16, 17, 20 – 22, 25 – 29, 33 & 35) indulged in synchronised trading among themselves resulting in no change of beneficial ownership and thus created artificial volume in the scrip and gave false and misleading appearance of trading in the scrip.

The Noticees (i.e. Sl. No. 1 – 6, 9 – 14 & 17) entered into reversal trades resulting in no change of beneficial ownership and increased the price of the scrip.

The entity at Sl. No. 1 has indulged in execution of self-trades.</td><td rowspan="9">The entities at Sl. No. 1 – 35 <u>(except Noticee No. 31)</u> Violated regulation 3 (a), (b), (c), (d), 4(1), 4(2) (a), (b), (e) and (g) of SEBI (PFUTP) Regulations, 2003.</td><td>₹8,00,000/- (Rupees Eight Lakhs only)</td></tr>
<tr><td>2.</td><td>Parmar Vaishali Ashvin</td><td>₹4,00,000/- (Rupees Four Lakhs only)</td></tr>
<tr><td>3.</td><td>Anand Finstock Services Ltd</td><td>₹8,00,000/- (Rupees Eight Lakhs only)</td></tr>
<tr><td>4.</td><td>Sanjay Kantibhai Baria</td><td>₹8,00,000/- (Rupees Eight Lakhs only)</td></tr>
<tr><td>5.</td><td>Laxman Dhirubhai Parmar</td><td>₹8,00,000/- (Rupees Eight Lakhs only)</td></tr>
<tr><td>6.</td><td>Vipul Hiralal Shah</td><td>₹6,00,000/- (Rupees Six Lakhs only)</td></tr>
<tr><td>7.</td><td>Navaneetlal Jeevanlal Gandhi</td><td>₹2,00,000/- (Rupees Two Lakhs only)</td></tr>
<tr><td>8.</td><td>Padmini Dilipsinh Barot</td><td>₹6,00,000/- (Rupees Six Lakhs only)</td></tr>
<tr><td>9.</td><td>Bharatkumar Baldevbhai Parmar</td><td>₹4,00,000/- (Rupees Four Lakhs only)</td></tr>
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10.	Mayank N Gandhi	The Noticees at Sl. No. 3 - 5, 8, 11, 13, 17, 21 and 24 were involved in first trades within the group and contributed in the price rise of the scrip The Noticees at Sl. No. 1, 3 – 12, 14 – 35 *(except Noticee No. 31)* have traded among themselves resulting in no change of beneficial ownership and contributed in the price rise of the scrip.		₹4,00,000/- (Rupees Four Lakhs only)
11.	Ashokkumar Bhikhalal Parmar			₹8,00,000/- (Rupees Eight Lakhs only)
12.	Amisha Samir Patel			₹4,00,000/- (Rupees Four Lakhs only)
13.	Ragini Bipinbhai Thakkar			₹6,00,000/- (Rupees Six Lakhs only)
14.	Janaki Bipin Thakkar			₹4,00,000/- (Rupees Four Lakhs only)
15.	Jikeshkumar Kanubhai Patel			₹2,00,000/- (Rupees Two Lakhs only)
16.	Parmar Kamlaben D			₹4,00,000/- (Rupees Four Lakhs only)
17.	Pandya Yaminiben M			₹8,00,000/- (Rupees Eight Lakhs only)
18.	Tushar Rameshbhai Patel			₹2,00,000/- (Rupees Two Lakhs only)
19.	Pravinbhai Harmanbhai Patel			₹2,00,000/- (Rupees Two Lakhs only)
20.	Aditi M Gandhi			₹4,00,000/- (Rupees Four Lakhs only)
21.	Shobhnaben R Parmar			₹6,00,000/- (Rupees Six Lakhs only)
22.	Niol Impex Private Limited			₹4,00,000/- (Rupees Four Lakhs only)
23.	Rameshbhai V Parmar			₹2,00,000/- (Rupees Two Lakhs only)
24.	Jayvishal Dilipsinh Barot			₹4,00,000/- (Rupees Four Lakhs only)
25.	Acme Furniture Private Limite			₹4,00,000/- (Rupees Four Lakhs only)
26.	Garima Bhandari			₹4,00,000/- (Rupees Four Lakhs only)
27.	Kaushik Rajnikant Mehta			₹4,00,000/- (Rupees Four Lakhs only)
28.	Sunil Bhandari			₹4,00,000/- (Rupees Four Lakhs only)

29.	Santosh Vishram Ghadshi			₹4,00,000/- (Rupees Four Lakhs only)
30.	Hardik Maheshbhai Pandya			₹2,00,000/- (Rupees Two Lakhs only)
31.	Jayesh Kuwadia			**No Penalty**
32.	Suresh Devendra Gupta			₹2,00,000/- (Rupees Two Lakhs only)
33.	Avinash Bothra			₹4,00,000/- (Rupees Four Lakhs only)
34.	Pannalal Ukaram Prajapati			₹2,00,000/- (Rupees Two Lakhs only)
35.	Dipika Dinesh Kankaria			₹4,00,000/- (Rupees Four Lakhs only)

124. The said penalty imposed on the Noticees, as mentioned above, shall commensurate with the violation committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors.

125. 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 e-payment facility into Bank Account the details of which are given below:

Account No. for remittance of penalties levied by Adjudication Officer

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

126. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the General Manager, Enforcement Department-1, DRA-II, SEBI, in the format as given in table below:

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

127. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticees and also to SEBI.

Date: 10 September 2018 **B J DILIP**

Place: Mumbai **Adjudicating Officer**