BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/S./2022-23/19570-19588]

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

In respect of

Noticee No.	Name of Noticees	PAN
1.	Harishkumar Kantilal Patel	CNYPP3185N
2.	Vishalkumar Krishnakant Borisha	BFKPB8172A
3.	Pardhi Dhirubhai Khanabhai	CEPPP2873D
4.	Bhavin Natwarlal Panchal	AJMPP8429P
5.	Ankit Jagdishbhai Pithava	BXVPP0489B
6.	Ketan Pravinbhai Panchal	CBRPP1212R
7.	Praveen Kumar	DRRPK7321D
8.	Rameshchandra Chhitubhai Patel	DOPPP0311M
9.	Dhaval Solanki	CLIPS6165D
10.	Divyaben Hiteshbhai Gangani	BTHPG8954L
11.	Ramnath Sharma	IBYPS8699E
12.	Nikhil Kiritbhai Panchal	AVOPP6274G
13.	Amitkumar Navinchandra Patel	ANTPP1230H
14.	Nilay Jitendrakumar Mistry	CRZPM8343Q
15.	Amitkumar Bhikhbhai Solanki	BMWPS6213G
16.	Subhashbhai Gelot	BTRPG9977K
17.	Nilesh Kishanbhai Pandya	CWUPP8504Q
18.	Manoj Ashokbhai Khalas	BXAPK0069H
19.	Alpeshkumar Pratapbhai Chaudhari	ARPPC9647M

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), conducted an investigation in the scrip of Global Infratech and Finance Limited (hereinafter referred to as "**GIFL/ Company/ by name**") for the period December 20, 2017 to Feb 15, 2018, (hereinafter referred to as '**Investigation period/ IP'**). The focus of the investigation was to ascertain whether there were any violations of any of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations'**) or the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') relating to the trading in the scrip of GIFL during the aforesaid investigation period. The shares of the Company are listed at BSE Ltd (hereinafter referred to as "**BSE**").

APPOINTMENT OF ADJUDICATING OFFICER

2. Vide Communique dated December 31, 2020 SEBI appointed the undersigned as the Adjudicating Officer under Section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under Section 15HA of the SEBI Act, the alleged violations of Sections 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations by the entities, namely, (1) Harishkumar Kantilal Patel, (2) Vishalkumar Krishnakant Borisha, (3) Pardhi Dhirubhai Khanabhai, (4) Bhavin Natwarlal Panchal, (5) Ankit Jagdishbhai Pithava, (6) Ketan Pravinbhai Panchal, (7) Praveen Kumar, (8) Rameshchandra Chhitubhai Patel, (9) Dhaval Solanki, (10) Divyaben Hiteshbhai Gangani, (11) Ramnath Sharma, (12) Nikhil Kiritbhai Panchal, (13) Amitkumar Navinchandra Patel, (14) Nilay Jitendrakumar Mistry, (15) Amit kumar Bhikhbhai Solanki, (16) Subhashbhai Gelot, (17) Nilesh Kishanbhai Pandya, (18) Manoj Ashokbhai Khalas and (19) Alpeshkumar Pratapbhai Chaudhari (hereinafter referred to as '**Noticee 1 to 19'** respectively and collectively referred to as "**Noticees**").

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A Show Cause Notice dated January 21, 2021 (hereinafter referred to as '**SCN**') was issued to Noticees under Rule 4 of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticees and penalty, if any, not be imposed upon them under the provisions of 15HA of SEBI Act, as applicable, for the aforesaid violations alleged to have been committed by them.

4. The allegations levelled against Noticees 1 to 19 in the SCN are as under:

ALLEGED VIOLATION OF SECTION 12A(a), (b), (c) OF SEBI ACT, READ WITH REGULATIONS 3(a), (b), (c), (d) and 4(1), 4(2)(a) and 4(2)(g) OF PFUTP REGULATIONS BY NOTICEES

a) *"During the investigation, variation in share price and daily traded volume of the scrip of GIFL for the IP was analyzed by SEBI and the same was also compared with price and volume fluctuation in the scrip of GIFL, before and after the investigation period. The details of the same are reproduced as under-*

Period	Dates		Opening Price (volume) On first day Rs.)	Closing price (volume) on last day (Rs.)	Low price (volume) during the period (Rs.)	High Price (volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	(01/09/2017 - 19/12/2017)	Price	106.15	105.65	103.5	108	28453
		Vol	7401	870003	33420	7157	
During Investigation Period	(20/12/2017 - 15/02/2018)	Price	105.5	92.05	92.05	120.65	256218
		Vol	110029	116	116	572553	
After investigation period	(16/02/2018 - 30/06/2018)	Price	90.25	34.4	34.4	90.25	2241
		Vol	150	1	5	150	

"

b) *"It was observed during the investigation that the Noticees were connected entities... It is alleged that during the investigation period, the Noticees had executed the following trades-*

Sr. No.	Client Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Harishkumar Kantilal	211278	21127	0	2.11	2.11

2	Vishalkumar Krishnakant	161377	16137	0	1.62	1.62
3	Pardhi Dhirubhai	152080	15208	0	1.52	1.52
4	Bhavin Natwarlal Panchal	150510	15051	0	1.51	1.51
5	Ankit Jagdishbhai	116214	11621	0	1.16	1.16
6	Ketan Pravinbhai	92516	92516	0	0.93	0.93
7	Praveen Kumar	92514	92514	0	0.93	0.93
8	Rameshchandra	84411	84411	0	0.85	0.85
9	Dhaval Solanki	65704	65704	0	0.66	0.66
10	Divyaben Hiteshbhai	49987	49987	0	0.50	0.50
11	Ramnath Sharma	48263	48263	0	0.48	0.48
12	Nikhil Kiritbhai Panchal	47487	47487	0	0.48	0.48
13	Amitkumar Navinchandra	47116	47116	0	0.47	0.47
14	Nilay Jitendrakumar	44076	44076	0	0.44	0.44
15	Amitkumar Bhikhbhai	42689	42689	0	0.43	0.43
16	Subhashbhai Gelot	42486	42486	0	0.43	0.43
17	Nilesh Kishanbhai	40846	40846	0	0.41	0.41
18	Manoj Ashokbhai Khalas	3333	3333	0	0.03	0.03
19	Alpeshkumar Pratapbhai	1250	1250	0	0.01	0.01
	TOTAL	**149413**	**14941**	**0**	**14.95**	**14.95**

”

c) *“As observed from the above table, Noticees had traded in the shares of the company during investigation period and they had purchased 14,94,137 shares (14.95% of total market volume) and sold 14,94,137 shares (14.95 % of total market volume).”*

d) *“Synchronized trades are the trades where the buy and sell order quantity and rate are identical and orders for these transactions are placed within a time gap of one minute. The summary of the aforesaid synchronized trades executed by the Noticees is given in the following table.”*

Gross Buy Qty of the Noticees	Gross Sell Qty of the Noticees	Total traded qty among the Noticees	Synchronized traded qty by the Noticees	Synchronized Trades as % of total traded qty among the Noticees	Synchronized Trades as % of Total market volume	Sum of Last Traded Price contribution through Synchronized Trades
14,94,137	14,94,137	13,00,992	12,85,288	98.79%	12.86%	11.60

e) *“During the investigation, it was observed that the Noticees had executed synchronized trades among themselves for 12,85,288 shares (12.86% of total market volume) in the scrip of GIFL during the investigation period. These synchronized trades have also resulted in LTP contribution of Rs. 11.60. Thus, these suspected entities have created a misleading appearance of trading in the* *scrip and traded in scrip without intention to change the ownership. The Noticee 19 has not bought shares through synchronized trades."*

f) *"In view of the above, it is alleged that the Noticees have created a misleading appearance of trading in the scrip and traded in scrip without intention to change the ownership. Therefore, it is alleged that the Noticees 1 to 19 are connected to each other and together they have violated Sections 12A(a), (b), (c) of the SEBI Act and Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations."*

g) *"The alleged foresaid violations of the PFUTP Regulations by the Noticees, if established, makes the Noticees liable for monetary penalty under the provisions of Section 15(HA) of the SEBI Act"*

5. The SCN was despatched to the Noticees 1 to 19 by Speed Post Acknowledgement Due ('**SPAD**'), and through Digitally Signed Email dated January 22, 2021, sent to the email IDs of the aforesaid Noticees. The SCN was duly served upon Noticees 2, 3, 6, 10, 12, 14, 17, and 18 by SPAD and Digitally Signed Email. However, the SCN could not be served by SPAD upon Noticees 1, 4, 5, 7, 8, 9, 11, 13, 15 and 16. However I note that the aforesaid Digitally Signed Email dated January 22, 2021 containing digitally signed SCN was duly served on all Noticees. Subsequently, vide emails dated February 26, 2021 and February 27, 2021, an opportunity of inspection of documents was requested by Noticees 2, 17, and 18. Thus, vide email dated May 31, 2022 Noticees were granted an opportunity of inspection on June 14, 2022. Thereafter, vide emails dated June 13, 2022, Noticees 2, 17, and 18 requested for extension of time for the inspection of documents. Thus, another opportunity for virtual inspection was granted to Noticees 2, 17, and 18 on June 24, 2022, vide email dated June 21, 2022. Noticees 2, 17, and 18 attended the virtual inspection on June 24, 2022, through their Authorised Representative (**AR**) Menka Jha, and as requested by the said Noticees, the following documents were provided to them:

Sl. No.	Documents Sought	Remarks
1.	Documents which are referred to and relied upon in the SCN SEBI/EAD/SM/MKG/1761/1/2021 dated January 21, 2021 and the Investigation Report in the matter	**INVESTIGATION REPORT**
		Annexure I - Copy of Communique dated December 31, 2020.
		Annexure II – Copies of trade and order log
		Annexure III – Details of KYC based connections
		Annexure IV – Off market transaction data

		Annexure V – MCA Data
		Copy of Communique dated September 29, 2020

6. During the aforesaid inspection, the AR of Noticees 2, 17, and 18 stated that they shall submit a reply to the SCN by June 28, 2022. However, no reply was received from the aforesaid Noticees on June 28, 2022. Subsequently, vide Hearing Notice dated June 28, 2022, an opportunity of hearing was granted to the said Noticees on July 18, 2022. Thereafter, vide email dated July 18, 2022, the AR requested an extension of the date of hearing to the next day on medical grounds. Thus, vide SEBI's email dated July 19, 2022, the AR's request was acceded to and the AR was informed that the hearing was rescheduled the next day on July 19, 2022. The Noticees appeared for the hearing on the scheduled date through their AR, Menka Jha. The AR denied all allegations made in the SCN and requested time for filing additional submissions. The said request was acceded to and the Noticees were permitted to file their additional submissions by the end of day on July 19, 2022. Thereafter, vide email dated July 21, 2022, the AR requested an extension of time to submit a reply by July 22, 2022. Vide email dated July 22, 2022, the aforesaid request was acceded to and the Noticees 2, 17, and 18 were permitted to submit their reply by the end of day on July 22, 2022. However, I note that Noticees 2, 17, and 18 failed to submit any reply to the SCN.

7. The SCN was also duly served by SPAD upon Noticees 3, 6, 10, 12, 14, and 19. However, Noticees 3, 6, 10, 12, 14, and 19 failed to submit their reply to SCN within the stipulated time. Subsequently, vide Hearing Notices dated June 01, 2022, an opportunity of hearing was granted to Noticees 3, 6, 10, 12, 14, and 19 on June 21, 2022 but they failed to appear for hearing on the scheduled date. Thereafter, vide Hearing Notice dated June 23, 2022, another opportunity of hearing was granted to Noticees 3, 6, 10, 12, 14, and 19 on July 11, 2022. In the aforesaid Hearing Notice, it was stated that the said Noticees are being granted a final opportunity of hearing and submitting a reply to the SCN. However, Noticees 3, 6, 10, 12, 14, and 19 again failed to submit any reply or appear for the aforesaid hearing on the scheduled date. Thus, I note that the aforesaid Noticees have been granted sufficient opportunities of hearing and making submissions in the instant adjudication proceeding and they have failed to avail the said opportunities.

8. I note that in respect of Noticees 1, 4, 5, 7, 8, 9, 11, 13, 15, and 16 the SCN could not be served by SPAD, as the aforesaid Noticees had left their last known addresses. Thus, as they had left their last known addresses, SCN could not be served by any other means to

Noticees 1, 4, 5, 7, 8, 9, 11, 13, 15 and 16. Therefore, SCN was served on Noticees 1, 4, 5, 7, 8, 9, 11, 13, 15, and 16 by way of newspaper publication of Show Cause Notice-cum-Hearing Notice in Times of India (Ahmedabad edition dated June 29, 2022), Sandesh (Ahmedabad edition dated June 29, 2022), Nav Gujarat Samay (Ahmedabad edition dated June 29, 2022) and Gujarat Vaibhav (Ahmedabad edition dated July 07, 2022) in which an opportunity of hearing was granted to Noticees 1, 4, 5, 7, 8, 9, 11, 13, 15 and 16 on July 11, 2022. However, the aforesaid Noticees have neither filed any replies nor appeared for the personal hearing.

9. Therefore, I observe that none of the Noticees 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 19 have filed any reply nor availed of the opportunity of personal hearing despite the service of the SCN and Hearing Notices, as stated above.

10. In this regard, it is pertinent to note that the Hon'ble Securities Appellate Tribunal ('**Hon'ble SAT'**) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) has *inter-alia*, held 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*". It is also pertinent to note that the Hon'ble SAT in the matter of Sanjay Kumar Tayal & Others vs. SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), has also, inter alia, observed that: *"…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 the charges levelled against them in the show cause notices..."* Thus, in the facts and circumstances as noted above, I am, therefore, of the view that in respect of Noticees 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 19, the principles of natural justice have been complied with in the instant proceeding and the aforesaid Noticees have nothing to submit in respect of the allegations made in the SCN. Thus, in terms of Rule 4(7) of the Adjudication Rules, the matter is being proceeded with ex-parte based on material available on record, in respect of 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 19.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

11. I have carefully perused the charges levelled against the Noticees and other documents/evidence available on record. The issues that arise for consideration in the present case are:

I) Whether Noticees have violated Section 12A(a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations?

II) Does the violation, if any, attract a monetary penalty under Section 15HA of SEBI Act?

III) If the answer to the aforesaid issues is in the affirmative, then what should be the quantum of monetary penalty?

12. The relevant applicable provisions of the SEBI Act and PFUTP Regulations, are reproduced as under:

Relevant provisions of SEBI Act:

CHAPTER VA
PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A*. No person shall directly or indirectly—*

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

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

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

Relevant provisions of PFUTP Regulation:

3*. Prohibition of certain dealings in securities No person shall directly or indirectly—*

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

(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 there under;

(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 there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

…

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

…

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors.

Issue No. I - Whether Noticees have violated Section 12A(a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations?

13. It has been alleged in the SCN that Noticees 1 to 19 created a misleading appearance of trading in the scrip of GIFL and traded in scrip without intention to change the beneficial ownership in shares. In this regard, from the Price-Volume data pertaining to the scrip of GIFL, I observe the following movement in the Price and Volume of the said scrip before, during and after the IP:

Period	Dates		Opening Price (volume) on first day Rs.)	Closing price (volume) on last day (Rs.)	Low price (volume) during the period (Rs.)	High Price (volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	(01/09/2017 - 19/12/2017)	Price	106.15	105.65	103.5	108	28453
		Vol	7401	870003	33420	7157	
During Investigation Period	(20/12/2017 - 15/02/2018)	Price	105.5	92.05	92.05	120.65	256218
		Vol	110029	116	116	572553	

After investigation period	**(16/02/2018 - 30/06/2018)**	**Price**	90.25	34.4	34.4	90.25	2241
		Vol	150	1	5	150	

14. I also observe from the Unique Client Code (‘**UCC’**) details, data pertaining to off-market transactions received from Central Depository Services (India) Limited (‘**CDSL**’) and National Securities Depositories Limited (‘**NSDL**’) and Ministry of Corporate Affairs (‘**MCA**’) database that Noticees 1 to 19 were connected entities. The connection between Noticees 1 to 19 is stated as under:-

Sr. No.	Noticee No.	Name	Basis of Connection
1	1	Harishkumar Kantilal Patel	Common Telephone Number 7874987089
2	14	Nilay Jitendrakumar Mistry	
3		Hiteshbhai Mistri	
4		Parmar Mukeshkumar	
5		Ravikumar Parmar	
6	9	Dhaval Solanki	
7		Parbhubhai Ratilal Shireshiya	
8		Jayshreeben Deepakbhai Sakariya	Common Telephone Number 9586716905 with Harishkumar Kantilal Patel (Noticee 1)
9	10	Divyaben Hiteshbhai Gangani	
10	3	Pardhi Dhirubhai Khanabhai	
11		Narendrabhai Jayantibhai Rupera	
12		Chandrakant Sevantilal Thakkar	
13	18	Manoj Ashokbhai Khalas	
14	12	Nikhil Kiritbhai Panchal	
15	17	Nilesh Kishanbhai Pandya	
16	15	Amitkumar Bhikhbhai Solanki	Common Telephone Number 7046128915 with Ravikumar Parmar (Sr No. 5) who is connected to Harishkumar Kantilal Patel (Noticee 1).
17	6	Ketan Pravinbhai Panchal	Common Telephone Number 9998448563 with Divyaben Hiteshbhai Gangani and Chandrakant Sevantilal Thakkar (Sr. No. 9 & 12) who are connected to Noticee 1.
18	2	Vishalkumar Krishnakant Borisha	Common Telephone Number 9512112428 Subhashbhai Gelot (Noticee 16)
19	5	Ankit Jagdishbhai Pithava	Off market Transaction in scrip of Toyam Industries Limited on 10/01/2018 with Hiteshbhai Mistri (Sr. no. 3) who is connected to Noticee 1.
20	13	Amitkumar Navinchandra Patel	Same Address & phone no. with Ankit Jagdishbhai Pithava (Sr. No. 19) - 2, Abadnagar, Nr Shiv Shakti Nagar, Chandlodia, Ahmedabad & phone no. 7878481708.

Sr. No.	Noticee No.	Name	Basis of Connection
21	7	Praveen Kumar	Common Telephone Number 9054846831 with Harishkumar Kantilal Patel, Nilay Jitendrakumar Mistry, Amitkumar Bhikhbhai Solanki and Ketan Pravinbhai Panchal (Sr. No. 1, 2, 16 & 17)
22	16	Subhashbhai Gelot	Common Telephone Number 9512112428 with Vishalkumar Krishnakant Borisha (Noticee 2)
23	4	Bhavin Natwarlal Panchal	Common Telephone Number 7283998848 with Nikhil Kiritbhai Panchal and Amitkumar Navinchandra Patel (Sr. No. 14 & 20)
24	19	Alpeshkumar Pratapbhai Chaudhari	
25	8	Rameshchandra Chhitubhai Patel	
26	11	Ramnath Sharma	

15. From the BSE trade log and order log during the IP, I note the following volume of trades executed by Noticees 1 to 19 in the scrip of GIFL:-

Sr. No.	Client Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Harishkumar Kantilal Patel	211278	211278	0	2.11	2.11
2	Vishalkumar Krishnakant Borisha	161377	161377	0	1.62	1.62
3	Pardhi Dhirubhai Khanabhai	152080	152080	0	1.52	1.52
4	Bhavin Natwarlal Panchal	150510	150510	0	1.51	1.51
5	Ankit Jagdishbhai Pithava	116214	116214	0	1.16	1.16
6	Ketan Pravinbhai Panchal	92516	92516	0	0.93	0.93
7	Praveen Kumar	92514	92514	0	0.93	0.93
8	Rameshchandra Chhitubhai Patel	84411	84411	0	0.85	0.85
9	Dhaval Solanki	65704	65704	0	0.66	0.66
10	Divyaben Hiteshbhai Gangani	49987	49987	0	0.50	0.50
11	Ramnath Sharma	48263	48263	0	0.48	0.48
12	Nikhil Kiritbhai Panchal	47487	47487	0	0.48	0.48
13	Amitkumar Navinchandra Patel	47116	47116	0	0.47	0.47
14	Nilay Jitendrakumar Mistry	44076	44076	0	0.44	0.44
15	Amitkumar Bhikhbhai Solanki	42689	42689	0	0.43	0.43
16	Subhashbhai Gelot	42486	42486	0	0.43	0.43
17	Nilesh Kishanbhai Pandya	40846	40846	0	0.41	0.41
18	Manoj Ashokbhai Khalas	3333	3333	0	0.03	0.03
19	Alpeshkumar Pratapbhai Chaudhari	1250	1250	0	0.01	0.01
	TOTAL	**1494137**	**1494137**	**0**	**14.95**	**14.95**

16. As observed from the above table, during the IP, Noticees had purchased 14,94,137 shares (14.95% of total market volume) and sold 14,94,137 shares (14.95 % of total market volume) of GIFL.

17. I note that the SCN alleges that Noticees 1 to 19 had bought and sold 13,00,992 shares among themselves during the I.P. by executing synchronized trades, i.e. trades wherein the buy and sell order quantity and rate are identical and orders for these transactions are placed within a time gap of one minute. I further note that the SCN alleges that Noticees 1 to 19 had executed

synchronized trades among themselves for 12,85,288 shares (12.86% of total market volume), in the scrip of GIFL during the investigation period. The details of the alleged synchronized trades among Noticees as given in the SCN are as under:-

Buy Client Name	Sell Client Name	No. Of Trades	Sum Of Sync Qty.	% Of Sync Vol. To Mkt. Vol.
Amitkumar Bhikhbhai Solanki (Noticee 15)	Amitkumar Navinchandra Patel	8	3038	0.03
	Ankit Jagdishbhai Pithava	3	2400	0.024
	Dhaval Solanki (Noticee 9)	8	1050	0.011
	Harishkumar Kantilal Patel (Noticee 1)	17	6625	0.066
	Ketan Pravinbhai Panchal (Noticee 6)	24	15040	0.151
	Nilay Jitendrakumar Mistry (Noticee 14)	21	12036	0.12
	Praveen Kumar (Noticee 7)	6	2250	0.023
1. Amitkumar Bhikhbhai Solanki	**Total**	**87**	**42439**	**0.425**
Amitkumar Navinchandra Patel (Noticee 13)	Amitkumar Bhikhbhai Solanki ()	9	3418	0.034
	Ankit Jagdishbhai Pithava	13	3943	0.039
	Dhaval Solanki	11	4505	0.045
	Harishkumar Kantilal Patel	51	18215	0.182
	Ketan Pravinbhai Panchal	27	7693	0.077
	Praveen Kumar	19	9342	0.093
2. Amitkumar Navinchandra Patel	**Total**	**130**	**47116**	**0.47**
Ankit Jagdishbhai Pithava (Noticee 5)	Amitkumar Bhikhbhai Solanki	1	1250	0.013
	Amitkumar Navinchandra Patel	17	3185	0.032
	Dhaval Solanki	105	29210	0.292
	Harishkumar Kantilal Patel	40	23048	0.231
	Ketan Pravinbhai Panchal	32	16637	0.166
	Nilay Jitendrakumar Mistry	18	8509	0.085
	Praveen Kumar	107	34375	0.344
3. Ankit Jagdishbhai Pithava	**Total**	**320**	**116214**	**1.163**
Bhavin Natwarlal Panchal (Noticee 4)	Harishkumar Kantilal Patel	113	49785	0.498
	Pardhi Dhirubhai Khanabhai	47	21055	0.211
	Rameshchandra Chhitubhai Patel	33	17767	0.178
	Ramnath Sharma	3	5001	0.05
	Vishalkumar Krishnakant Borisha	57	26777	0.268
4. Bhavin Natwarlal Panchal	**Total**	**253**	**120385**	**1.205**
Dhaval Solanki (Noticee 9)	Amitkumar Bhikhbhai Solanki	12	1935	0.019
	Amitkumar Navinchandra Patel	14	5100	0.051
	Ankit Jagdishbhai Pithava	105	28775	0.288
	Ketan Pravinbhai Panchal	31	8889	0.089
	Nilay Jitendrakumar Mistry	14	5330	0.053
	Praveen Kumar	59	15170	0.152
	Rameshchandra Chhitubhai Patel	1	500	0.005
5. Dhaval Solanki	**Total**	**236**	**65699**	**0.657**
	Nikhil Kiritbhai Panchal	81	20601	0.206

Buy Client Name	Sell Client Name	No. Of Trades	Sum Of Sync Qty.	% Of Sync Vol. To Mkt. Vol.
Divyaben Hiteshbhai Gangani (Noticee 10)	Ramnath Sharma	12	4167	0.042
	Subhashbhai Gelot	84	20252	0.203
6. Divyaben Hiteshbhai Gangani Total		**177**	**45020**	**0.451**
Harishkumar Kantilal Patel (Noticee 1)	Amitkumar Bhikhbhai Solanki	17	6683	0.067
	Amitkumar Navinchandra Patel	68	15890	0.159
	Ankit Jagdishbhai Pithava	38	25818	0.258
	Bhavin Natwarlal Panchal	72	38417	0.384
	Dhaval Solanki	1	150	0.002
	Ketan Pravinbhai Panchal	89	24450	0.245
	Nilay Jitendrakumar Mistry	14	11895	0.119
	Pardhi Dhirubhai Khanabhai	60	23988	0.24
	Praveen Kumar	21	9250	0.093
	Rameshchandra Chhitubhai Patel	50	29335	0.294
	Vishalkumar Krishnakant Borisha	28	21800	0.218
7. Harishkumar Kantilal Patel Total		**458**	**207676**	**2.079**
Ketan Pravinbhai Panchal (Noticee 6)	Amitkumar Bhikhbhai Solanki	21	14635	0.146
	Amitkumar Navinchandra Patel	27	8343	0.083
	Ankit Jagdishbhai Pithava	27	17101	0.171
	Dhaval Solanki	27	9515	0.095
	Harishkumar Kantilal Patel	58	24260	0.243
	Praveen Kumar	32	18662	0.187
8. Ketan Pravinbhai Panchal Total		**192**	**92516**	**0.925**
Manoj Ashokbhai Khalas (Noticee 18)	Divyaben Hiteshbhai Gangani	11	3333	0.033
9. Manoj Ashokbhai Khalas Total		**11**	**3333**	**0.033**
Nikhil Kiritbhai Panchal (Noticee 12)	Divyaben Hiteshbhai Gangani	66	21335	0.214
	Nilesh Kishanbhai Pandya	20	6417	0.064
	Ramnath Sharma	17	3000	0.03
	Subhashbhai Gelot	46	11400	0.114
10. Nikhil Kiritbhai Panchal Total		**149**	**42152**	**0.422**
Nilay Jitendrakumar Mistry (Noticee 14)	Amitkumar Bhikhbhai Solanki	20	12976	0.13
	Ankit Jagdishbhai Pithava	15	8160	0.082
	Dhaval Solanki	12	5799	0.058
	Harishkumar Kantilal Patel	15	13676	0.137
	Praveen Kumar	11	3465	0.035
11. Nilay Jitendrakumar Mistry Total		**73**	**44076**	**0.442**
Nilesh Kishanbhai Pandya (Noticee 17)	Divyaben Hiteshbhai Gangani	36	9431	0.094
	Harishkumar Kantilal Patel	2	5000	0.05
	Manoj Ashokbhai Khalas	12	3333	0.033
	Ramnath Sharma	27	7917	0.079
12. Nilesh Kishanbhai Pandya Total		**77**	**25681**	**0.256**
	Bhavin Natwarlal Panchal	39	14484	0.145

Buy Client Name	Sell Client Name	No. Of Trades	Sum Of Sync Qty.	% Of Sync Vol. To Mkt. Vol.
Pardhi Dhirubhai Khanabhai (Noticee 3)	Harishkumar Kantilal Patel	90	18514	0.185
	Rameshchandra Chhitubhai Patel	8	3892	0.039
	Vishalkumar Krishnakant Borisha	109	53393	0.534
13. Pardhi Dhirubhai Khanabhai	**Total**	**246**	**90283**	**0.903**
Praveen Kumar (Noticee 7)	Amitkumar Bhikhbhai Solanki	4	1542	0.015
	Amitkumar Navinchandra Patel	26	11560	0.116
	Ankit Jagdishbhai Pithava	67	30017	0.3
	Dhaval Solanki	54	15469	0.155
	Harishkumar Kantilal Patel	21	9063	0.091
	Ketan Pravinbhai Panchal	42	19807	0.198
	Nilay Jitendrakumar Mistry	16	4806	0.048
14. Praveen Kumar	**Total**	**230**	**92264**	**0.923**
Rameshchandra Chhitubhai Patel (Noticee 8)	Bhavin Natwarlal Panchal	21	21392	0.214
	Harishkumar Kantilal Patel	37	20667	0.207
	Pardhi Dhirubhai Khanabhai	17	4500	0.045
	Ramnath Sharma	2	5000	0.05
	Vishalkumar Krishnakant Borisha	24	9835	0.098
15. Rameshchandra Chhitubhai Patel	**Total**	**101**	**61394**	**0.614**
Ramnath Sharma (Noticee 11)	Alpeshkumar Pratapbhai Chaudhari	4	1250	0.013
	Divyaben Hiteshbhai Gangani	7	2500	0.025
	Nikhil Kiritbhai Panchal	14	3000	0.03
	Nilesh Kishanbhai Pandya	49	23179	0.232
	Subhashbhai Gelot	7	1167	0.012
16. Ramnath Sharma	**Total**	**81**	**31096**	**0.312**
Subhashbhai Gelot (Noticee 16)	Divyaben Hiteshbhai Gangani	40	8334	0.083
	Nikhil Kiritbhai Panchal	23	8085	0.081
	Ramnath Sharma	69	10896	0.109
17. Subhashbhai Gelot	**Total**	**132**	**27315**	**0.273**
Vishalkumar Krishnakant Borisha (Noticee 2)	Bhavin Natwarlal Panchal	106	30928	0.31
	Harishkumar Kantilal Patel	7	14521	0.145
	Nilay Jitendrakumar Mistry	1	1500	0.015
	Pardhi Dhirubhai Khanabhai	123	54263	0.543
	Rameshchandra Chhitubhai Patel	76	29417	0.294
18. Vishalkumar Krishnakant Borisha	**Total**	**313**	**130629**	**1.307**
Grand Total		**3266**	**1285288**	**12.86**

18. In this regard, it is pertinent to refer to the judgement of the Hon'ble Securities Appellate Tribunal ('**SAT'**) in Ketan Parekh vs. SEBI (Appeal No. 2 of 2004; Order dated 14.07.2006) in which synchronised deals have been discussed. In the aforesaid judgment, it was held as follows:

"*There are yet another type of transactions which are commonly called synchronised deals. The word 'synchronise' according to the Oxford dictionary means "cause to occur at the same time; be simultaneous". A synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time…A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. 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 because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn*". Placing reliance on the aforementioned judgment, I find that for a trade to qualify as synchronized trade, its characteristics require that the buy and sell orders are placed within a gap of one minute, at the same rate and for an identical quantity.

19. I observe from the BSE trade log and order log that there were two types of trades executed by the Noticees. I observe that one category of trades executed by the Noticees during the IP are those in which Noticees traded among themselves by placing buy and sell orders with identical order quantity, Counter-party Order quantity as well as identical buy rates and sell rates. Some illustrative instances of the aforesaid trades are as under:

Trades with identical Order quantity and Counter-Party Order quantity as well as identical buy and sell rates

Date	Client Name	CP Client Name	Order Time	CP Order Time	Trade Time	Trade Rate	Order Rate	CP Order Rate	Traded Qty	Order Qty	CP Order Qty
02/01/2018	HARISHKUMAR KANTILAL PATEL (NOTICEE 1)	PRAVEEN KUMAR (NOTICEE 7)	11:29:58.536613	11:29:56.970303	11:29:58.536613	104.95	104.95	104.95	200	1000	1000
02/01/2018	HARISHKUMAR KANTILAL PATEL	PRAVEEN KUMAR	11:30:41.064868	11:30:39.756549	11:30:41.064868	104.85	104.85	104.85	400	1000	1000
02/01/2018	HARISHKUMAR KANTILAL PATEL	PRAVEEN KUMAR	12:24:09.190581	12:24:08.874571	12:24:09.190581	104.95	104.95	104.95	750	1500	1500

02/01/2018	HARISHKUMAR KANTILAL PATEL	PRAVEEN KUMAR	12:27:25.651383	12:27:25.525664	12:27:25.651383	104.70	104.70	104.70	1100	1500	1500
09/01/2018	HARISHKUMAR KANTILAL PATEL	PARDHI DHIRUBHAI KHANABHAI (NOTICEE 3)	11:19:53.441973	11:19:53.468674	11:19:53.468674	102.25	102.25	102.25	1000	1000	1000
02/01/2018	HARISHKUMAR KANTILAL PATEL	ANKIT JAGDISHBHAI PITHAVA (NOTICEE 5)	11:30:41.064868	11:30:39.511797	11:30:41.064868	104.85	104.85	104.85	400	1000	1000
03/01/2018	KETAN PRAVINBHAI PANCHAL (NOTICEE 6)	PRAVEEN KUMAR (NOTICEE 7)	11:49:11.307126	11:49:12.617738	11:49:12.617738	102.35	102.35	102.35	500	1000	1000
02/01/2018	KETAN PRAVINBHAI PANCHAL	AMITKUMAR BHIKHBHAI SOLANKI (NOTICEE 15)	11:30:39.782176	11:30:39.128064	11:30:39.782176	104.85	104.85	104.85	100	500	500
28/12/2017	KETAN PRAVINBHAI PANCHAL	ANKIT JAGDISHBHAI PITHAVA	11:51:58.269119	11:51:58.055333	11:51:58.269119	105.50	105.50	105.50	500	1000	1000
28/12/2017	KETAN PRAVINBHAI PANCHAL	PRAVEEN KUMAR	11:51:58.269119	11:51:58.035545	11:51:58.269119	105.50	105.50	105.50	500	1000	1000
01/01/2018	NIKHIL KIRITBHAI PANCHAL (NOTICEE 12)	DIVYABEN HITESHBHAI GANGANI (NOTICEE 10)	09:31:14.401340	09:31:14.479531	09:31:14.479531	104.60	104.60	104.60	3335	3335	3335
02/01/2018	NILAY JITENDRAKUMAR MISTRY (NOTICEE 14)	ANKIT JAGDISHBHAI PITHAVA	11:30:39.783591	11:30:39.511797	11:30:39.783591	104.85	104.85	104.85	400	1000	1000
04/01/2018	NILAY JITENDRAKUMAR MISTRY	HARISHKUMAR KANTILAL PATEL	11:13:50.590449	11:13:51.272869	11:13:51.272869	100.75	100.75	100.75	1001	1500	1500
02/01/2018	NILAY JITENDRAKUMAR MISTRY	PRAVEEN KUMAR	11:29:57.896174	11:29:56.970303	11:29:57.896174	104.95	104.95	104.95	500	1000	1000
02/01/2018	NILAY JITENDRAKUMAR MISTRY	ANKIT JAGDISHBHAI PITHAVA	11:29:57.896174	11:29:57.409530	11:29:57.896174	104.95	104.95	104.95	500	1000	1000
04/01/2018	RAMESHCHANDRA CHHITUBHAI PATEL (NOTICEE 8)	VISHALKUMAR KRISHNAKANT BORISHA (NOTICEE 2)	12:12:34.839866	12:12:34.890201	12:12:34.890201	100.60	100.60	100.60	1500	1500	1500
03/01/2018	RAMESHCHANDRA CHHITUBHAI PATEL	VISHALKUMAR KRISHNAKANT BORISHA	14:14:50.114682	14:15:00.835940	14:15:00.83594	102.15	102.15	102.15	716	716	716
01/01/2018	RAMESHCHANDRA CHHITUBHAI PATEL	VISHALKUMAR KRISHNAKANT BORISHA	11:58:43.123273	11:58:35.057593	11:58:43.123273	105.40	105.40	105.40	500	500	500
22/12/2017	PRAVEEN KUMAR	DHAVAL SOLANKI (NOTICEE 9)	11:39:17.247324	11:39:16.389234	11:39:17.247324	105.00	105.00	105.00	800	800	800
22/12/2017	PRAVEEN KUMAR	DHAVAL SOLANKI	11:40:32.276138	11:40:31.432778	11:40:32.276138	105.10	105.10	105.10	800	800	800
05/01/2018	PRAVEEN KUMAR	DHAVAL SOLANKI	11:09:26.030799	11:09:23.632764	11:09:26.030799	98.85	98.85	98.85	50	500	500
20/12/2017	RAMNATH SHARMA (NOTICEE 11)	ALPESHKUMAR PRATAPBHAI CHAUDHARI (NOTICEE 19)	09:55:26.869974	09:55:24.782752	09:55:26.869974	105.50	105.50	105.50	400	400	400
20/12/2017	RAMNATH SHARMA	ALPESHKUMAR PRATAPBHAI	09:55:39.090798	09:55:35.829946	09:55:39.090798	105.55	105.60	105.55	425	425	425

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05/01/2018	AMITKUMAR BHIKHBHAI SOLANKI	HARISHKUMAR KANTILAL PATEL	11:08:30.561587	11:08:29.390776	11:08:30.561587	98.75	98.75	98.75	600	1500	1500
28/12/2017	AMITKUMAR NAVINCHANDRA PATEL (NOTICEE 13)	PRAVEEN KUMAR	10:27:42.149979	10:27:42.226440	10:27:42.22644	105.50	105.50	105.50	1040	1200	2000
20/12/2017	ANKIT JAGDISHBHAI PITHAVA	DHAVAL SOLANKI	10:38:22.384883	10:38:21.509687	10:38:22.384883	105.40	105.40	105.40	300	300	300
27/12/2017	ANKIT JAGDISHBHAI PITHAVA	PRAVEEN KUMAR	12:05:16.408974	12:05:16.407892	12:05:16.408974	105.50	105.50	105.50	2000	2000	2000
27/12/2017	ANKIT JAGDISHBHAI PITHAVA	PRAVEEN KUMAR	12:05:48.399880	12:05:48.413435	12:05:48.413435	105.60	105.60	105.60	2000	2000	2000
28/12/2017	ANKIT JAGDISHBHAI PITHAVA	KETAN PRAVINBHAI PANCHAL	11:52:39.257699	11:52:39.724400	11:52:39.7244	105.55	105.55	105.55	500	1000	1000
29/12/2017	ANKIT JAGDISHBHAI PITHAVA	PRAVEEN KUMAR	12:07:29.683105	12:07:29.691403	12:07:29.691403	105.60	105.60	105.60	2500	2500	2500
29/12/2017	ANKIT JAGDISHBHAI PITHAVA	PRAVEEN KUMAR	13:38:41.163838	13:38:41.162963	13:38:41.163838	105.00	105.00	105.00	2500	2500	2500
02/01/2018	ANKIT JAGDISHBHAI PITHAVA	NILAY JITENDRAKUMAR MISTRY	11:29:34.967741	11:29:33.672580	11:29:34.967741	105.00	105.00	105.00	400	1000	1000

20. I note from the aforesaid examples that for trades executed on January 02, 2018, there was a time gap of less than one minute between the buy orders of Noticee 1 and the sell orders of Noticee 7. I also note that the order rate and order quantity placed by Noticees 1 and 7 was exactly identical. I further note from the BSE trade log and order log that during the IP, Noticee 1 had executed a total of 21 buy trades with Noticee 7 and the total quantity bought by Noticee 1 from Noticee 7 was 9250 shares on four days. I observe that all the trades executed by Noticee 1 and Noticee 7 on the said four days, followed a similar pattern wherein the buy and sell orders were placed within a gap of one minute, at the same rate, and for the same or similar quantity. I further note that Noticees 1 to 19 followed a similar trading pattern on 39 days by executing 3,266 trades for 12,85,288 shares constituting 12.86% of total market volume by placing identical buy and sell orders within a gap of one minute. Therefore, placing reliance upon the criteria laid down in the aforesaid judgement of Hon'ble SAT in Ketan Parekh vs. SEBI, I find that these trades amounted to synchronised trades.

21. From perusal of the BSE trade log and order log, I observe that another category of trades were executed by the Noticees in which buy and sell orders were placed within a time gap of one minute with identical order rate and counter-party order rate but with minor

difference in the order quantity and counter-party order quantity. I note that in these trades, the buy and sell orders were placed in such a manner so as to match the order quantity of a particular buy order, and counter-party order quantity of a particular sell order. Some illustrative instances of the aforesaid category of trades are as under:

Trades with the oblique matching of Order quantity and Counter-Party order quantity with exact matching of buy and sell rates

Date	Client Name	CP Client Name	Order ID	CP Order ID	Order Time	CP Order Time	Trade Time	Trade Rate	Order Rate	CP Order Rate	Traded Qty	Order Qty	CP Order Qty
04/01/2018	HARISHKUMAR KANTILAL PATEL (NOTICEE 1)	BHAVIN NATWARLAL PANCHAL (NOTICEE 4)	1515036600001308472	1515036600001308471	14:32:46.302339	14:32:44.019369	14:32:46.302339	100.90	100.90	100.90	2100	2100	2167
04/01/2018	HARISHKUMAR KANTILAL PATEL	BHAVIN NATWARLAL PANCHAL	1515036600001308473	1515036600001308471	14:32:47.512396	14:32:44.019369	14:32:47.512396	100.90	100.90	100.90	67	67	2167
08/01/2018	HARISHKUMAR KANTILAL PATEL	BHAVIN NATWARLAL PANCHAL	1515382200001019306	1515382200001019305	10:12:49.985469	10:12:46.247727	10:12:49.985469	100.05	100.05	100.05	5000	5000	5500
08/01/2018	HARISHKUMAR KANTILAL PATEL	BHAVIN NATWARLAL PANCHAL	1515382200001019307	1515382200001019305	10:12:51.538055	10:12:46.247727	10:12:51.538055	100.05	100.05	100.05	500	500	5500
05/01/2018	VISHALKUMAR KRISHNAKANT BORISHA (NOTICEE 2)	BHAVIN NATWARLAL PANCHAL	1515123000001298588	1515123000001298587	15:13:08.488539	15:13:08.338557	15:13:08.488539	99.45	99.45	99.45	3700	3700	3750
05/01/2018	VISHALKUMAR KRISHNAKANT BORISHA	BHAVIN NATWARLAL PANCHAL	1515123000001298589	1515123000001298587	15:13:09.688860	15:13:08.338557	15:13:09.68886	99.45	99.60	99.45	50	50	3750
22/12/2017	DIVYABEN HITESHBHAI GANGANI(NOTICEE 10)	NIKHIL KIRITBHAI PANCHAL (NOTICEE 12)	1513913400001291028	1513913400001291027	09:44:28.798467	09:44:28.251225	09:44:28.798467	105.25	105.25	105.25	1666	1667	1666
22/12/2017	DIVYABEN HITESHBHAI GANGANI	NIKHIL KIRITBHAI PANCHAL	1513913400001291028	1513913400001291029	09:44:28.798467	09:44:30.691702	09:44:30.691702	105.25	105.25	105.25	1	1667	1
01/01/2018	DIVYABEN HITESHBHAI GANGANI	SUBHASHBHAI GELOT (NOTICEE 16)	1514777400001248010	1514777400001248009	09:30:56.520929	09:30:56.449577	09:30:56.520929	104.55	104.55	104.55	3334	3335	3334
01/01/2018	DIVYABEN HITESHBHAI GANGANI	SUBHASHBHAI GELOT	1514777400001248010	1514777400001248011	09:30:56.520929	09:30:58.729924	09:30:58.729924	104.55	104.55	104.55	1	3335	1
22/12/2017	DIVYABEN HITESHBHAI GANGANI	NIKHIL KIRITBHAI PANCHAL	1513913400001291019	1513913400001291018	09:32:02.888530	09:32:02.318209	09:32:02.88853	105.25	105.25	105.25	1666	1667	1666
22/12/2017	DIVYABEN HITESHBHAI GANGANI	NIKHIL KIRITBHAI PANCHAL	151391340000129101	1513913400001291020	09:32:02.888530	09:32:05.163480	09:32:05.16348	105.25	105.25	105.25	1	1667	1

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04/01/2018	VISHALKUMAR KRISHNAKANT BORISHA	RAMESHCHANDRA CHHITUBHAI PATEL (NOTICEE 8)	1515036600001308248	1515036600001308247	12:45:28.248423	12:45:28.133619	12:45:28.248423	100.50	100.50	100.50	1900	1900	2000
04/01/2018	VISHALKUMAR KRISHNAKANT BORISHA	RAMESHCHANDRA CHHITUBHAI PATEL	1515036600001308249	1515036600001308247	12:45:30.233943	12:45:28.133619	12:45:30.233943	100.50	100.50	100.50	100	100	2000
26/12/2017	NILESH KISHANBHAI PANDYA (NOTICEE 17)	MANOJ ASHOKBHAI KHALAS (NOTICEE 18)	1514259000001312049	1514259000001312048	11:35:03.677457	11:34:57.796361	11:35:03.677457	106.00	106.00	106.00	250	250	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312050	1514259000001312048	11:35:04.433904	11:34:57.796361	11:35:04.433904	106.00	106.00	106.00	250	250	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312051	1514259000001312048	11:35:05.225701	11:34:57.796361	11:35:05.225701	106.00	106.00	106.00	350	350	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312052	1514259000001312048	11:35:06.269246	11:34:57.796361	11:35:06.269246	106.00	106.00	106.00	250	250	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312053	1514259000001312048	11:35:07.237188	11:34:57.796361	11:35:07.237188	106.00	106.00	106.00	255	255	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312056	1514259000001312048	11:35:25.654472	11:34:57.796361	11:35:25.654472	106.00	106.00	106.00	350	350	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312057	1514259000001312048	11:35:26.418907	11:34:57.796361	11:35:26.418907	106.00	106.00	106.00	350	350	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312058	1514259000001312048	11:35:27.317581	11:34:57.796361	11:35:27.317581	106.00	106.00	106.00	345	345	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312059	1514259000001312048	11:35:28.288595	11:34:57.796361	11:35:28.288595	106.00	106.00	106.00	250	250	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312060	1514259000001312048	11:35:29.057591	11:34:57.796361	11:35:29.057591	106.00	106.00	106.00	250	250	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312061	1514259000001312048	11:35:38.564470	11:34:57.796361	11:35:38.56447	106.00	106.00	106.00	100	100	3333
26/12/2017	NILESH KISHANBHAI PANDYA	MANOJ ASHOKBHAI KHALAS	1514259000001312062	1514259000001312048	11:35:39.732954	11:34:57.796361	11:35:39.732954	106.00	106.00	106.00	333	333	3333
09/01/2018	PARDHI DHIRUBHAI KHANABHAI (NOTICEE 3)	VISHALKUMAR KRISHNAKANT BORISHA	1515468600001028968	1515468600001028969	11:16:47.147245	11:16:47.440797	11:16:47.440797	102.20	102.20	102.20	4999	5000	4999
09/01/2018	PARDHI DHIRUBHAI KHANABHAI	VISHALKUMAR KRISHNAKANT	1515468600001028968	1515468600001028970	11:16:47.147245	11:16:48.280564	11:16:48.280564	102.20	102.20	102.20	1	5000	1

		BORISHA											

22. I note from the aforesaid illustration that on January 09, 2018, Noticee 3 had placed a single buy order for 5000 shares at an order rate of Rs. 102.20 and Noticee 2 placed two sell orders for 4,999 shares and 1 share respectively at exactly identical counter-party order rate and there was a time gap of less than one minute between the orders of Noticee 3 and Noticee 2. Thus, I note that the Noticees placed buy and sell orders within a time gap of one minute with identical order rate and counter-party order rate, but with a minor difference in the order quantity and counter-party order quantity. I note that the sell order was placed by Noticee 2 in such a manner so as to match the order quantity of the buy order placed by Noticee 3. Thus, I note that the order quantity and counter-party order quantity had ultimately matched and the trades were executed within 1 minute. I further note that Noticees 1 to 19 followed a similar trading pattern on 39 days by executing 3,266 trades for 12,85,288 shares constituting 12.86% of total market volume by placing identical buy and sell orders within a gap of one minute. Therefore, considering the pattern of the aforesaid trades and placing reliance on the criteria laid down in the aforesaid judgement of Hon'ble SAT in Ketan Parekh vs. SEBI, I am of the view that these trades also amounted to synchronised trades.

23. From the perusal of the BSE trade log and order log, I note that a similar pattern of synchronised trades was followed by Noticees 1 to 19 in respect of the buy and sell trades executed among themselves in the scrip of GIFL. I note that during the IP, a total of 3,266 trades (including both buy trades and sell trades) were executed by Noticees 1 to 19 among themselves for 12,85,288 shares of GIFL, which was 12.86% of total market volume in the scrip of GIFL and 98.79% of the total traded quantity (including both buy and sell quantity) among Noticees i.e. 13,00,992. As stated above, the aforesaid trades of Noticees were synchronized trades. The aforesaid synchronised trades executed by the Noticees are summarised in the following table:

Gross Buy Qty of the Noticees (During the I.P.)	**Gross Sell Qty of the Noticees (During the I.P.)**	**Total traded qty among the Noticees (During the I.P.)**	**Synchronized traded qty by the Noticees (During the I.P.)**	**Synchronized Trades as % of total traded qty among the Noticees (During the I.P.)**	**Synchronized Trades as % of Total market volume (During the I.P.)**	**Sum of Last Traded Price contribution through Synchronized Trades (During the I.P.)**
14,94,137	14,94,137	13,00,992	12,85,288	98.79%	12.86%	11.60

24. It has been established in the earlier part of the order that Noticees 1 to 19 were connected entities Thus, I am of the view that Noticees 1 to 19 have followed a common, uniform

trading strategy of engaging in synchronised trades amongst themselves for a substantial volume in the scrip of GIFL during the IP. Therefore, it stands established that these synchronized trades were executed for generating substantial volume in respect of the scrip of GIFL, thereby creating a misleading appearance of trade, without any intention of change in beneficial ownership. I also note that Noticees have not disputed the allegations in the SCN.

25. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter alia,* prohibit employment of any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulations 4(2)(a) and (g) of the PFUTP Regulations provide that dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves indulging in an act that creates a false or misleading appearance of trading in the securities market or entering into a transaction in securities without the intention of change of ownership of such security.

26. In this regard, I find that in cases of market manipulation, where direct evidence may not be available, transactions, as stated above, are to be tested for any manipulative intent on the basis of the conduct of parties and the abnormal nature of transactions. In other words, I find that the requirement under PFUTP Regulations is that fraud must be proved on a preponderance of probabilities. In this regard, I note the judgement of Hon'ble Supreme Court of India in SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016), wherein it had held that: *"It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion…The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the*

Regulations framed thereunder is concerned… The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. "

27. I further note the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) wherein it was held that: "*As held by the Apex Court in the case of SEBI V/s Kishore R. Ajmera reported in (2016) 6 SCC 368, in the absence of direct evidence, by taking into account immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded it is open to an AO to arrive at a reasonable conclusion that the trade executed were manipulated trades. In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations*."

28. I also find it pertinent to refer to decision of Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (Civil Appeal No. 2595 of 2013; Decided on September 20, 2017). In the aforementioned judgment, the Hon'ble Supreme Court of India while discussing the ambit of fraud under PFUTP Regulations has held as under:

"*The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required… To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities… The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified.*"

29. I further refer the judgement of Hon'ble SAT in the matter of M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012) wherein it was held as follows:

"*The charge is one of synchronization in the scrip of the company during a short interval of 10 days out of 19 days of trade. The adjudicating officer has brought on record the details of the transactions, the trades done by the connected entities, percentage rate of synchronization to the quantity traded and the sample trade logs… The fact remains that the appellant has entered into synchronized trades during the period under investigation… What is relevant is the conduct of the parties in effecting the trades… facts of the case would show that the appellant and the connected entities have placed orders in such a way as to ensure matching of the buy and sell quantity and the price with the same counter parties and the difference in time is zero to a few seconds. In view of the discussion above, we hold that the adjudicating officer has brought on record sufficient material to show that the appellant's wrong doing falls under regulation 4 of the PFUTP Regulations.*"

30. Similarly, in the judgment of Hon'ble SAT in the matter of Sparkline Mercantile Co. Pvt. Ltd. vs. SEBI (Appeal No. 171 of 2011; Order dated January 16, 2012), it was held as follows:

"*…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. Looking at the details provided in the investigation report, the show cause notice and the findings recorded by the adjudicating officer, we are convinced that the adjudicating officer has brought enough material on record in support of the conclusion that the entities mentioned in the tables above are connected entities and traded among themselves with prior arrangement resulting in creation of artificial volume and distorting the market equilibrium. 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. Therefore, we have no hesitation in upholding the findings recorded by the adjudicating officer in the impugned order.*"

31. Therefore, placing reliance upon the aforesaid judgements, I find that the attending facts and circumstances in the instant case demonstrate the manipulative intent and conduct of the Noticees. Thus, based on the facts and circumstances established above, I find that the aforesaid synchronised trades, which were executed in order to mislead investors and created a misleading appearance of trading in the scrip of GIFL amounted to fraudulent

activity in terms of Regulations 3(a), (b), (c), (d), and Regulations 4(1), and 4(2)(a) of PFUTP Regulations.

32. In view of the foregoing findings, facts and circumstances of the case and placing reliance on the aforesaid judgements, I find that Noticees 1 to 19 have followed a uniform strategy of executing 3,266 trades in a substantial quantity of shares constituting 12.86% of total market volume in a synchronised manner through a large number of trades ranging from 87 to 458 trades on each day for 39 days. Thus, I find that such a repeated and uniform strategy of synchronised trades involving substantial quantity of shares was followed by Noticees in order to create a misleading appearance of trading, without any change of beneficial ownership, and thus was a fraudulent activity resorted to by Noticees in order to mislead investors.

33. Therefore, in view of the foregoing, I find that the allegation that Noticees have violated Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations stands established.

Issue No. II- Does the violation, if any, attract a monetary penalty under Sections 15HA of SEBI Act?

34. It has been established in the foregoing paragraphs that the Noticees 1 to 19, have violated Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations. In the context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court had held that: "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established...….*"

35. Therefore, in view of the foregoing findings and placing reliance on the above judgment of Hon'ble Supreme Court, I find that the aforesaid violations of Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations will attract monetary penalty under Section 15HA of SEBI Act. The respective provisions as applicable at the time of the violations are reproduced as under:

Penalty for fraudulent and unfair trade practices

15HA*. 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.*

<u>Issue No. III - What should be the quantum of monetary penalty</u>?

36. While determining the quantum of penalty under Section 15HA of SEBI Act, it is important to consider the factors as stipulated in Section 15J of SEBI Act, which reads as under:-

<u>SEBI Act</u>

Factors to be taken into account by the adjudicating officer.

Section 15J *- 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.

37. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors listed in Section 15J of SEBI Act. In the instant case, having regard to the factors listed in Section 15J of SEBI Act, it is noted that the material available on record does not demonstrate any quantifiable gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the default. I also observe that there are no other records to show repetitive defaults of a similar nature by Noticees. However, it has been established that the Noticees, by executing a series of synchronised trades among themselves, without any intention of transferring beneficial ownership of shares, created a misleading appearance of trading. I am of the view that such manipulative acts of the Noticees have the potential to mislead and induce genuine investors to trade in the scrip and harm them and therefore such acts violate the fundamental tenets of market integrity. Such acts of Noticees, if dealt with lightly, could seriously undermine investors' confidence in the securities market and therefore, merit stringent penalty commensurate with such serious violations.

38. At this juncture, I find it pertinent to refer to the judgement of Hon'ble Supreme Court of India in the matter of N. Narayanan vs. SEBI [(2013) 12 SCC 152] in which it was held as follows:

"…if market abuse is not properly curbed, then it would result in defeating the very object and purpose of SEBI Act... Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law…Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market... Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'."

39. In view of the foregoing findings and placing reliance on the aforesaid judgement, I find that an appropriate penalty should be imposed on the Noticees, so as to serve as a deterrent against the aforesaid violations, considering the interest of investors and integrity of securities market.

ORDER

40. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees, and also the factors mentioned in Section 15J of SEBI Act, as enumerated above, I, in the exercise of the powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose the following penalties on the Noticees 1 to 19 under Section 15HA of SEBI Act:

Penalty for violation of PFUTP Regulations

Name of Noticee	**Penalty under Section 15 HA of SEBI Act**	**For the violation of the following provisions**
Harishkumar Kantilal Patel	Rs. 5,00,000/- (Rupees Five Lakhs only)	Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations.
Vishalkumar Krishnakant Borisha	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Pardhi Dhirubhai Khanabhai	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Bhavin Natwarlal Panchal	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Ankit Jagdishbhai Pithava	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Ketan Pravinbhai Panchal	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Praveen Kumar	Rs. 5,00,000/- (Rupees Five Lakhs only)	

Rameshchandra Chhitubhai Patel	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Dhaval Solanki	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Divyaben Hiteshbhai Gangani	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Ramnath Sharma	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Nikhil Kiritbhai Panchal	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Amitkumar Navinchandra Patel	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Nilay Jitendrakumar Mistry	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Amitkumar Bhikhbhai Solanki	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Subhashbhai Gelot	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Nilesh Kishanbhai Pandya	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Manoj Ashokbhai Khalas	Rs. 5,00,000/- (Rupees Five Lakhs only)	
Alpeshkumar Pratapbhai Chaudhari	Rs. 5,00,000/- (Rupees Five Lakhs only)	

41. Noticees shall remit/pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, said Noticees may contact the support at portalhelp@sebi.gov.in.

42. The Noticees shall forward said Demand Draft or the said confirmation of e-payment made in the format as given in the table below which should be sent to "The Division Chief, EFD – DRA - 1, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	

7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

43. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of SEBI Act for the realisation of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees.

44. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees and also to SEBI.

Place:Mumbai **SOMA MAJUMDER**
Date: September 23, 2022 **ADJUDICATING OFFICER**