

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. EAD/BJD/BKM/28-50 /2018-19

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

In respect of:

1. Ankit Rajendra Sanchaniya(PAN: BLNPS3316L)	2. Hemant Madhusudan Sheth(ANOPS8607E)	3. Amar Premchand Walmiki (AAUPW9971A)
4. Yeshwanti Udhamanu Anja(AEKPA7683R)	5. Rameshbhai Vitthalbhai Parmar(ASQPP5072M)	6. Ashokkumar Bhikhalal Parmar(AOJPP8746B)
7. Panna Dilipsinh Barot (AKSPB6193M)	8. Samir Sureshchandra Shah(AGEPS0157L)	9. Samirkumar Kanubhai Patel(AGXPP0488N)
10. Tushar Rameshbhai Patel (AFVPP7625L)	11. Anand Kalu Marathe(AKWPM0699M)	12. Amisha Samir Patel(AUVPP1737C)
13. Devendra Suresh Gupta(ALLPG9738R)	14. Kanubhai Patel Hetal (APXPP4768E)	15. Kishorbhai Balubhai Chauhan (AFPPC9703G)
16. Bhavesh Prakash Pabari (AKGPP8679N)	17. Ami Stock and Share Brokers Pvt. Ltd.	18. Anil T Jain (AADPA8582A)
19. Chunnilal Jain A(AAEP5214A)	20. Nisha Rakesh Jain (AFDPJ7713H)	21. Bhupesh Harishchandra Rathod (AACPR3785K)
22. DNG Mercantile Ltd (AACCD0126H)	23. Yaminiben Pandya (APGPP6166F)	

In the matter of Refex Refrigerants Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), conducted an investigation into the trading in the scrip of Refex Refrigerants Limited (hereinafter referred to as 'RFL') for the period from August 01, 2008 to December 31, 2008 (hereinafter referred to as the 'IP') to ascertain whether there

was any violation of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act, 1992 and various Rules, Regulations and Guidelines made thereunder.

2. During the course of investigation, it was observed that 23 (twenty three) connected/related entities allegedly entered into synchronized trades/reversal trades/self-trades, as applicable, which resulted in creation of artificial volume in the scrip, thereby violating the provisions of the SEBI Act 1992 read with the relevant provisions of SEBI(Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as PFUTP Regulations), SEBI(PIT) Regulations, 1992 (hereinafter referred to as PIT Regulations 1992) and SEBI (SAST) Regulations, 1997 (hereinafter referred to as SAST Regulations 1997).

APPOINTMENT OF ADJUDICATING OFFICER

3. Based on the findings of the investigation, SEBI initiated Adjudication proceedings under section 15 I of the SEBI Act, 1992 to inquire into and adjudge under Sections 15HA and 15A(b) of the SEBI Act, 1992, whether the Noticees have violated the provisions of the SEBI Act and Rules, Regulations and Circulars there under.
4. Mr Prasad Jagadale was appointed as the Adjudicating Officer vide order dated May 08, 2015 to inquire into and adjudge the aforesaid violations. Further, consequent to an inter-departmental transfer and postings, the said proceedings were transferred to the undersigned vide order dated May 18 2017.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice (SCN) was issued to the Noticees on November 16, 2017 for violation of regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) (e) and (g) of PFUTP Regulations by Ankit Rajendra Sanchaniya, Hemant Madhusudan Sheth, Amar Premchand Walmiki, for violation of regulation 3(a), (b), (c), (d) and

regulation 4(1), 4(2) (a) (e) & (g) of PFUTP Regulations by Yeshwanti Udhamanu Anja for creating the misleading appearance in the securities market by executing synchronized trades, indulging in price manipulation by contributing significant positive LTP variation by trading among group entities; for violation of regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations by Rameshbhai Vitthalbhai Parmar, Ashokkumar Bhikhalal Parmar, Panna Dilipsinh Barot, Samir Sureshchandra Shah, Samirkumar Kanubhai Patel, Tushar Rameshbhai Patel, Anand Kalu Marathe, Amisha Samir Patel, Devendra Suresh Gupta, and Kanubhai Patel Hetal for indulging in price manipulation by contributing significant positive LTP variation by trading among group entities; for violation of regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (g) of PFUTP Regulations by Kishorbhai Balubhai Chauhan and Bhavesh Prakash Pabari for creating the misleading appearance in the securities market by executing synchronized trades; for violation of A(2) of the Code of Conduct for Stock Brokers under schedule II r/w Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as Stock Brokers Regulations) by Ami Stock and Share Brokers Pvt. Ltd for executing self trades for his client (Noticee No.3), for violation of Regulation 13(3) of SEBI (PIT) Regulations, 1992 and regulation 7(1A) of SEBI (SAST) regulations, 1997, Regulation 11(2) of SEBI (SAST) Regulations, 1997 and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations by Anil T Jain for failing to make disclosures for selling shares exceeding 2% of the share capital of the company, failing to make public announcement for acquiring additional shares for making gain by off-loading the shares at the increased price and transferred the shares to group entities which had manipulated the volume and price of the scrip; for violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations by Chunnilal Jain A and Nisha Rakesh Jain for making gain by off-loading the shares at the increased price and connected to promoter (Noticee No.18) who had transferred shares to group entities which had manipulated the volume and price of the scrip and for the violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations by Bhupesh Harishchandra Rathod, DNG Mercantile Ltd and

Yaminiben Pandya for facilitating the circuitous off-market transfers by receiving shares from promoter and transferring to group entities, which had manipulated the volume and price of the scrip.

6. The SCN was served on the Noticees as per Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as Adjudication Rules). Noticee 1 Ankit Rajendra Sanchaniya vide letter dated March 22, 2018, Noticee 2 Hemant Madhusudan Sheth vide letter dated March 23, 2018, Noticee 3 Amar Premchand Walmiki vide letter dated March 19, 2018, Noticee 4 Yeshwanti Udhamanu Anja, Noticee 5 Rameshbhai Vitthalbhai Parmar dated November 29, 2017, and email dated February 28, 2018, Noticee 6 Ashokkumar Bhikhalal Parmar, Noticee 7 Panna Dilipsinh Barot, Noticee 8, Samir Sureshchandra Shah vide email dated March 23, 2018, Noticee 9 Samirkumar Kanubhai Patel dated November 28, 2017, email dated February 28, 2018 and March 23, 2018, Noticee 10 Tushar Rameshbhai Patel March 23, 2018, Noticee 11 Anand Kalu Marathe vide letter dated May 17, 2018, Noticee 12 Amisha Samir Patel vide letter dated November 28, 2017 and email dated February 28, 2018, Noticee 13 Devendra Suresh Gupta vide letter dated March 23, 2018, Noticee 14 Kanubhai Patel Hetal vide letter dated November 28, 2018, Noticee 16, Bhavesh Prakash Pabari dated March 24, 2018, Noticee 17.Ami Stock and Share Brokers Pvt. Ltd. Vide letter dated February 15, 2018, Noticee 18, Anil T Jain vide letters dated January 29, 2018, February 14, 2018, Noticee 19, Chunnilal Jain A and Noticee 20 Nisha Rakesh Jain vide letter dated January 1, 2018, 21.Bhupesh Harishchandra Rathod vide letter dated March 24, 2018, Noticee 22 DNG Mercantile Ltd vide letter dated January 12, 2018 and 23.Yaminiben Pandya vide letter dated December 11, 2013 have submitted their replies to the SCN. Vide email dated May 9, 2018. Noticee 4 Yashwanti Udhamanu Anja and Noticee 15 Kishorbhai Balubhai Chauhan failed to reply to the SCN.

Ankit Sanchania(Noticee 1)

7. The significant parts of the submission of Ankit Sanchania vide letter dated March 22, 2018 have been reproduced as under:

- *"The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 08-10-2008 to 31-12-2008.*
- *I had suffered huge losses while trading in the shares of RFL. I had net sell of 61,400 shares at the rate of Rs. 185.42 which is significant lower from then my purchases rate i.e. around Rs. 266/-. Thus, I had suffered a net loss of approx. Rs. Fifty Lakhs only due to fall in the price of the scrip.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*
- *Admittedly, I have no connection/relation with the Promoters/Directors/Employees of the Company.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the average volume per day in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.*
- *It is observed during the Investigation that I had purchased and sold 6,08,588 and 6,69,988 shares respectively of the Company through the platform of the Exchange. Thus, 61,400 shares of the Company were remain net sold during the Investigation Period. Most of the trades executed by me were marked as delivery.*
- *It is pertinent to mention that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. Thus, the allegation of synchronized trades is futile as most the shares during the period of Investigation were marked as delivery and there was change/transfer of beneficial ownership in the shares of Company.*

- *It is observed in the SCN that purported Pabari Group entities including me had indulged in synchronized trades which resulted in creation of artificial volume in the scrip of RFL.*
- *that matching of some of orders with the other entities including the purported Pabari Group entities are nothing but coincidence. The trading system is anonymous and does not reveal the identity of the counter party to the buy/sell trades. I for the first time came to know about matching of such trades in the scrip of RFL when I was issued SCN by the SEBI. However, the quantum of alleged synchronized trades are not much higher to effect the market equilibrium and almost 55% of the market volume were marked as delivery volume in the scrip of RFL.*
- *that on perusal of the Trade Log it is revealed that there were huge quantity difference in between Orders placed by me and counterparties resulted into trades.*
- *The quantity difference in between buy/sell Orders placed by me and counterparties resulted into trades was 43,85,961 shares during the Investigation period. The above difference in between buy/sell order placed by me and counter parties to my trades were very high and it clearly establish that there were no meeting of mind in between buyer and seller.*
- *Similarly there were huge difference of Rs. 1107.50 in between buy/sell orders rates placed by me and counterparties to my trades.*
- *It is further pertinent to mention that there were huge time difference (on higher side 5:42 hours) in between placing of buy/sell orders by me and counterparties which resulted into trades.*
- *It is further submitted that the total alleged synchronized trades executed by the alleged six Pabari Group entities as mentioned in the Para 20 of the SCN were only 4,88,047 which come to 2.42% of the total market volume i.e. 2,00,90,685 shares. Thus, the quantum of the alleged synchronized trades were not significant to influence the market equilibrium.*
- *It is further submitted that only 259 trades were executed in between 0 second to 1 minutes from the time of placing buy/sell order placed me and counterparties and resulted into trades. Most of the trades i.e. 854 trades were got executed in between one minutes to five hours and forty two minutes from the time of placing buy/sell order by me and counterparties to my trades.*

- In Para 25-26 of the SCN, it is alleged that seven group entities including me had executed self-trades in the scrip of the Company. Since the quantum of my alleged self-trade in the said scrip were only 1,30,009 (only 0.65% of total market volume during Investigation Period) and all trades, except one solitary trades of 45 shares, pertains to shifting of the position from one broker to another, no adverse inference should be drawn against me.
- With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.
- It is alleged in the Para 33 of the SCN that I had contributed positive LTP of Rs. 12.65 as buyer. The said alleged positive contribution to LTP was mere 0.39% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant, the allegation of price manipulation not establishes at all.
- that the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.
- that 940 trades out of total 1113 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."

Hemant Sheth(Noticee 2)

8. The significant parts of the submission of Hemant Sheth vide letter dated March 23, 2018 have been reproduced as under:

- "The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 08-10-2008 to 31-12-2008.
- I had suffered huge losses while trading in the shares of RFL. I had net sell of 4,03,197 shares at the rate of Rs. 14.28 which is significant lower from the average rate during the investigation period i.e. Rs. 125.48 and closing price of the scrip on 31-12-2008 i.e. Rs. 31.15. Thus, I had suffered a net loss of approx. Rs. 5 Crore due to fall in the price of the scrip.

- No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.
- Admittedly, I have no connection/relation with the Promoters/Directors/Employees of the Company.
- It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period.
- In the the SCN, it is mentioned that the volume in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.
- It is observed during the Investigation that I had purchased and sold 7,98,265 and 12,01,462 shares respectively of the Company through the platform of the Exchange. Thus, 4,03,197 shares of the Company were remain net sold during the Investigation Period. Most of the trades executed by me were marked as delivery.
- It is pertinent to mention that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company.
- It is observed in the SCN that purported Pabari Group entities including me had indulged in synchronized trades which resulted in creation of artificial volume in the scrip of RFL. It is humbly submitted that matching of some of orders with the other entities including the purported Pabari Group entities are noting but coincidence. However, the quantum of alleged synchronized trades are not much higher to effect the market equilibrium and almost 55% of the market volume were delivery volume marked in the scrip of RFL.
- On perusal of the Trade Log it is revealed that there were huge quantity difference in between Orders placed by me and counterparties resulted into trades. The quantity difference in between buy/sell Orders placed by me and counterparties resulted into trades was 6,57,68,422 shares during the Investigation period. The above difference in

between buy/sell order placed by me and counter parties were very high and it clearly establish that there were no meeting of mind in between buyer and seller.

- *Similarly there were huge difference of Rs. 391.35 in between buy/sell order rate placed by me and counterparties to my trades.*
- *that there were huge time difference (on higher side 6 hours) in between placing of buy/sell orders by me and counterparties which resulted into trades.*
- *that the total alleged synchronized trades executed by the alleged six Pabari Group entities as mentioned in the Para 20 of the SCN were only 4,88,047 which come to 2.42% of the total market volume i.e. 2,00,90,685 shares. Thus, the quantum of the alleged synchronized trades were not significant to influence the market equilibrium.*
- *that only 153 trades were executed in between 0 second to 1 minutes from the time of placing buy/sell order placed me and counterparties and resulted into trades. Most of the trades i.e. 530 trades were got executed in between one minutes to six hours fifteen minutes from the time of placing buy/sell order by me and counterparties to my trades.*
- *In the SCN, it is alleged that seven group entities including me had executed self-trades in the scrip of the Company. Since the quantum of my alleged self-trade in the said scrip were only 1,50,817 (only 0.75% of total market volume during Investigation Period) and all trades pertains to shifting of the position from one broker to another, no adverse inference should be drawn against me.*
- *With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.*
- *It is alleged in the SCN that I had contributed positive LTP of Rs. 4.55 as buyer. The said alleged positive contribution to LTP was mere 0.14% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant, the allegation of price manipulation not establishes at all.*
- *that the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.*
- *that on perusal of the Trade Log it is revealed that my contribution to LTP was negative of Rs. 3.90. This shows that the Investigation Officer had pick and choose data while making allegations against me for price manipulation. The observations and allegation against me are based on surmises and conjectures only.*

- *that 603 trades out of total 683 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."*

Amar Premchand Walmiki (Noticee 3)

9. The significant parts of the submission of Amar Premchand Walmiki vide letter dated March 24, 2018 have been reproduced as under:

- *"I further deny and refute that I have any connection/relation with the purported Pabari Group entities. I further refute and deny that I have violated the Provision of PFUTP Regulations as alleged in the SCN.*
- *The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 08-10-2008 to 31-12-2008.*
- *I had net purchases of 50,054 shares at the rate of Rs. 231.61 (excluding brokerage, taxes and other cost) which is significant lower from closing price i.e. around Rs. 31.15 on 31-12-2008. I had suffered a net loss of approx. Rs. one crore due to fall in the price of the scrip. My claim of loss further strengthen from the Arbitration award dated 17-03-2010 passed by Arbitrators.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the average volume per day in the scrip of RFL during the Investigation Period was 2, 00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.*
- *It is observed during the Investigation that I had purchased and sold 40,47,927 and 39,97,873 shares respectively of the Company through the platform of the Exchange. Thus, 50,054 shares of the Company were remain net purchases during the Investigation Period. Most of the trades executed by me were marked as delivery.*

- *It is pertinent to mention that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. Thus, the allegation of synchronized trades is futile as most the shares during the period of Investigation were marked as delivery and there was change/transfer of beneficial ownership in the shares of Company.*
- *It is observed in Para 15-21 of the SCN that purported Pabari Group entities including me had indulged in synchronized trades which resulted in creation of artificial volume in the scrip of RFL. Matching of some of orders with the other entities including the purported Pabari Group entities are noting but coincidence. The trading system is anonymous and does not reveal the identity of the counter party to the buy/sell trades.*
- *However, the quantum of alleged synchronized trades are not much higher to effect the market equilibrium and almost 55% of the market volume were marked as delivery volume in the scrip of RFL.*
- *that on perusal of the Trade Log it is revealed that there were huge quantity difference in between Orders placed by me and counterparties resulted into trades. The quantity difference in between buy/sell Orders placed by me and counterparties resulted into trades was 10, 87, 35,756 shares during the Investigation period. The above difference in between buy/sell order placed by me and counter parties to my trades were very high and it clearly establish that there were no meeting of mind in between buyer and seller.*
- *Similarly there were huge difference of Rs. 15,105.76 in between buy/sell orders rates placed by me and counterparties to my trades.*
- *It is further pertinent to mention that there were huge time difference (on higher side 6 hours) in between placing of buy/sell orders by me and counterparties which resulted into trades.*

- With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.
- It is alleged in the Para 33 of the SCN that I had contributed positive LTP of Rs. 60.70 as buyer. The said alleged positive contribution to LTP was mere 1.89% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant by looking my voluminous transactions, the allegation of price manipulation not establishes at all.
- That the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.
- That 5956 trades out of total 8561 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."

10. Vide identical letters dated November 28, 2017 Samirkumar Kanubhai Patel (Noticee 9), Amisha Samir Patel (Noticee 12) and Kanubhai Patel Hetal (Noticee 14) and vide letter dated November 29, 2017 Rameshbhai Vitthalbhai Parmar (Noticee 5) submitted as under:

- "that they have no relationship with any of the promoters/directors/associated entities of RFL.
- They have not made any transactions by himself for any other person.
- On the advice of well-wishers they opened demat account and allowed their use by third parties against monetary consideration.
- They came to know that his account was given for third party use on the instruction of Mr. Paras Chaplot and Rakesh Shinghvi. In the past he already informed SEBI that Mr Paras Chaplot and Rakesh Singvi are cheating them and their family. "

11. Panna Dilipsinh Barot (Noticee 7) vide letter dated March 22, 2018 submitted as under:

Patch I

- "There were trades carried out for 2, 00, 90,685 shares in the RFL. The 30 group entities has traded in the scrip of RFL consisting of 95,90,026 shares were bought resulting into 47.73% of volume traded and 1,04,71,563 shares were sold resulting into 52.12% of volume traded for which my name figures for 0.36% of total buy and 0.385 OF TOTAL Sale which is in negligence part.

- 14 group entities has entered into 383 trades resulting to net change of Rs. 152.10 as buyers and sellers on LTPV out of which my name figures for 6 trades as Buyers and 27 trades as Sellers resulting into contribution of Rs. 12.30(Rs. 2.05 as Buyer and Rs. 10.25 as seller) which is negligent as compared to the total quantum.

Patch II

- There were 2699 trades carried out between group entities for 41, 19,936 shares resulting into Net changes of Rs.(45.40) in Last Trade Price. My name appears for having entered into 10 trades for 5957 shares out of which 6 trades of 3557 shares which has not effected in price variation where 4 trades of 2400 shres has positive impact of Rs. 0.55 on the price which is very negligent part.

-I am small investor and engaged into employment and that too at a very small scale.

-I was never a party or member of any group and also never intended to be a party of any group."

Further vide letter dated April 5, 2018 she submitted as under:

- My name does not feature in the client concentration (Top 10 clients) in para 9(b) of the Show Cause Notice.*
- Reliance has been placed on BSE Report as mentioned in para 11 of the Show Cause notice which I am not aware and no copy of the same had been given at any point of time.*

- *Para 21 of the Show Cause Notice does not put any allegation on the undersigned for the purpose of creation of artificial Volume leading to false and misleading appearance of trading in the scrip and were thereby fraudulent.*
- *Show Cause Notice para no. 32 speaks about the trading amongst 14 entities whereby my name is appearing for some 20+ trades. Being an Investor I had traded in the script but accidentally, my trade might have matched to couple of players who seems to have been involved into the market Manipulation. From the Show Cause Notice it is evident that Mr. Hemant Sheth, Mr. Ankit Sanchaniya and Mr. Amar Premchand Walmiki have got themselves actively involved into the trading.*
- *None of the transactions has been entered into by me with an intention to manipulate the price or Volume of the scrips and there was no intention to defraud any investor or public at large.*
- *Further, I was not a party to any fraudulent or unfair trade practice nor have gain any benefits nor had any intentions of making losses to any other persons.*
- *I had not received any notice at the time of investigation and never had an opportunity to defend myself at the time of investigation which please note."*

12. Samir Sureshchandra Shah (Noticee 8) vide letter dated April 5, 2018 and March 22, 2018 submitted as under:

- *"I was a member of Vadodara Stock Exchange Limited and a sub-broker of Bombay Stock Exchange of India Limited through Vadodara Stock Exchange Limited.*
- *I was not a party to any group as mentioned in the above cited notice.*
- *As regards my connections regarding off-market transfer of shares to Tushar Rameshbhai Patel is concern, Mr. Tushar Rameshbhai Patel is not known to me which can be vouched from Mr. Tushar Patel, himself.*

- *The other persons who have transferred shares to my account and to whom the shares have been transferred are not known to me. The same were under the instruction of Mr. Paras Chaplot through his nephew Mr. Rakesh Singhvi.*
- *All the transactions were done under instruction of Mr. Paras Chaplot. Copies of certain E-mails exchanged with Mr. paras Chaplot and Mr. Rakesh Singhvi (nephew of Mr. Paras Chaplot) are submitted.*
- *I was never a party or member of any group and also never intended to be a party of any group.*
- *However the investors of Mr. Paras Chaplot who didn't had any communication channel like e-mails etc. used to get the instructions on my e-mail id.*
- *I refer to my letter dated 22nd March, 2018 and in continuation of same would like to bring certain facts originating from the Show Cause Notice itself.*
- *I was never involved into Price Manupulation and manupalating the Volume of trading.*
- *My name does not feature in the client concentration (Top 10 clients) in para 9(b) of the Show Cause Notice.*
- *Reliance has been placed on BSE Report as mentioned in para 11 of the Show Cause notice which I am not aware and no copy of the same had been given at any point of time.*
- *Para 21 of the Show Cause Notice does not put any allegation on the undersigned for the purpose of creation of artificial Volume leading to false and misleading appearance of trading in the scrip and were thereby fraudulent.*
- *Show Cause Notice para no. 32 speaks about the trading amongst 14 entities whereby my name is appearing for some 40+ trades. Being an Investor I had traded in the script but accidentally, my trade might have matched to couple of players who seems to have been involved into the market Manupulation. From the Show Cause Notice it is evident that Mr. Hemant Sheth, Mr. Ankit Sanchaniya and Mr. Amar Premchand Walmiki have got themselves actively involved into the trading.*
- *None of the transactions has been entered into by me with an intention to manipulate the price or Volumne of the scrips and there was no intention to defraud any investor or public at large.*

- *Further, I was not a party to any fraudulent or unfair trade practice nor have gain any benefits nor had any intentions of making losses to any other persons."*

13. Tushar Rameshbahi Patel(Noticee 10)submitted as under:

- *"that I have any connection/relation with the purported Pabari Group entities.*
- *I have no trades in between 04-10-2008 to 31-12-2008.*
- *I had suffered huge losses while trading in the shares of RFL. I had net purchases of 203 shares during the investigation period. I had suffered a net loss of approx. Rs. 1.75 Crore due to fall in the price of the scrip.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the volume in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.*
- *during the Investigation that I had purchased and sold 2,33,300 and 2,33,097 shares respectively of the Company through the platform of the Exchange. Thus, 203 shares of the Company were remain net purchase during the Investigation Period. Most of the trades executed by me were marked as delivery.*
- *the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. There was change/transfer of beneficial ownership in the shares of Company.*
- *With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.*

- *It is alleged in the Para 33 of the SCN that I had contributed positive LTP of Rs. 0.10 only as buyer. The said alleged positive contribution to LTP was mere 0.00% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant, the allegation of price manipulation not establishes at all.*
- *the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 (Para 34 of the SCN) which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.*
- *The Investigation Officer had pick and choose data while making allegations against me for price manipulation. The observations and allegation against me are based on surmises and conjectures only.*
- *97 trades out of total 137 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."*

14. Anand Kalu Marathe (Noticee 11) vide letter dated May 18, 2018 submitted as under:

- *"The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 15-09-2008 except for sale trades.*
- *I had suffered huge losses while trading in the shares of RFL. I had suffered a net loss of approx. Rs. Three Lakhs due to fall in the price of the scrip.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*
- *Admittedly, I have no connection/relation with the Promoters/Directors/Employees of the Company.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the volume in the*

scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.

- during the Investigation I had purchased and sold 30701 and 31781 shares respectively of the Company on the platform of the Exchange.*
- that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. There was change/transfer of beneficial ownership in the shares of Company.*
- I am not facing any allegation of creating artificial volume through synchronized trades and self-trades.*
- With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.*
- It is alleged in the Para 33 of the SCN that I had contributed positive LTP of Rs. 20.55 only as buyer. The said alleged positive contribution to LTP was mere 0.63% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant, the allegation of price manipulation not establishes at all.*
- It is further submitted that the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 (Para 34 of the SCN) which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.*
- The Investigation Officer had pick and choose data while making allegations against me for price manipulation. The observations and allegation against me are based on surmises and conjectures only.*
- that 401 trades out of total 534 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."*

Devendra Suresh Gupta (Noticee 13)

15. The significant parts of the submission of Devendra Suresh Gupta vide letter dated March 23, 2018 have been reproduced as under:

- *“At the outset I refute and deny whatever alleges in the SCN. I further deny and refute that I have any connection/relation with the purported Pabari Group entities. I further refute and deny that I have violated the Provision of PFUTP Regulations as alleged in the SCN.*
- *The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 04-10-2008 to 31-12-2008.*
- *I had suffered huge losses while trading in the shares of RFL. I had net purchases of 203 shares during the investigation period. I had suffered a net loss of approx. Rs. 1.75 Crore due to fall in the price of the scrip.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the volume in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.*
- *It is observed during the Investigation that I had purchased and sold 2,33,300 and 2,33,097 shares respectively of the Company through the platform of the Exchange. Thus, 203 shares of the Company were remain net purchase during the Investigation Period. Most of the trades executed by me were marked as delivery.*
- *It is pertinent to mention that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. There was change/transfer of beneficial ownership in the shares of Company.*

- *I am not facing any allegation of creating artificial volume through synchronized trades and self-trades.*
- *With reference to the allegation of price manipulation it is an admitted fact that total price of the scrip was increased positively Rs. 3210.80 from LTP.*
- *It is alleged in the Para 33 of the SCN that I had contributed positive LTP of Rs. 0.10 only as buyer. The said alleged positive contribution to LTP was mere 0.00% of the total market positive LTP. Since the said alleged positive contribution to LTP was not significant, the allegation of price manipulation not establishes at all.*
- *It is further submitted that the total contribution by the purported Pabari Group entities to positive LTP was Rs. 152.10 (Para 34 of the SCN) which comprises to 4.73% of the total positive LTP. This also not significant to influence the market.*
- *The Investigation Officer had pick and choose data while making allegations against me for price manipulation. The observations and allegation against me are based on surmises and conjectures only.*
- *It is further submitted that 97 trades out of total 137 executed by me during the Investigation Period were either at par to the market price or below the market price of the scrip. The shares of RFL was quoting around Rs. 265/- at the starting of the Investigation Period. Thus the price of the scrip had already been increased before I started trading in the scrip of the Company."*

16. Vide letter dated Bhavesh Prakash Pabari(Noticee 16) submitted as under:

- *"The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between 09-10-2008 to 31-12-2008.*
- *I had suffered huge losses while trading in the shares of RFL. I had net sell of 1,00,700 shares at the rate of Rs. 1.63 which is significant lower from the average rate during the investigation period i.e. Rs. 125.48 and closing price of the scrip on 31-12-2008 i.e. Rs. 31.15. Thus, I had suffered a net loss of approx. Rs. 2.25 Crore due to fall in the price of the scrip.*
- *No allegation of synchronized trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*

- Admittedly, I have no connection/relation with the Promoters/Directors/Employees of the Company.
- It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the volume in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.
- During the Investigation that I had purchased and sold 2,45,300 and 3,46,000 shares respectively of the Company through the platform of the Exchange. Thus, 1,00,700 shares of the Company were remain net sold during the Investigation Period. Most of the trades executed by me were marked as delivery.
- the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company. Thus, the allegation of synchronized trades is futile as most the shares during the period of Investigation were marked as delivery and there was change/transfer of beneficial ownership in the shares of Company.
- whole intention behind the manipulative synchronized trades are not to change/transfer of beneficial ownership, however, in the scrip of RFL average of delivery volume marked was much higher than the normal market delivery volume in NIFTY-50 and SENSEX scrips.
- It is observed in the SCN that purported Pabari Group entities including me had indulged in synchronized trades which resulted in creation of artificial volume in the scrip of RFL. It is humbly submitted that matching of some of orders with the other entities including the purported Pabari Group entities are noting but coincidence. The trading system is anonymous and does not reveal the identity of the counter party to the buy/sell trades. I for the first time came to know about matching of such trades in the scrip of RFL when I was issued SCN by the SEBI. However, the quantum of alleged synchronized trades are not much higher to effect the market equilibrium and almost 55% of the market volume were delivery volume marked in the scrip of RFL.

- on perusal of the Trade Log it is revealed that there were huge quantity difference in between Orders placed by me and counterparties resulted into trades. The quantity difference in between buy/sell Orders placed by me and counterparties resulted into trades was 1,46,01,512 shares during the Investigation period. The above difference in between buy/sell order placed by me and counter parties were very high and it clearly establish that there were no meeting of mind in between buyer and seller.
- Similarly there were huge difference of Rs. 168.15 in between buy/sell order rate placed by me and counterparties to my trades.
- that there were huge time difference (on higher side 6 hours and 37 minutes) in between placing of buy/sell orders by me and counterparties which resulted into trades.
- that the trades which have no price and quantity differences in between buy and sell orders and executed within one minutes from placing of buy and sell orders were negligible and such trades also resulted into delivery. Thus, the conclusions arrived in the Investigation Report are based on surmises and conjectures.
- that merely the trades are synchronized trades does not mean that they are manipulative. In catena of cases Hon'ble Tribunal observed that Synchronized Trades are per se not illegal. It is further submitted that most of my trades were delivery based transactions and there were change of beneficial ownership. I place reliance on the Order passed by the Hon'ble Tribunal in the matter of M/s Subhkam Securities Private Limited vs SEBI (Appeal No. 73 of 2012 dated 25-07-2012)

“.....While arriving at this conclusion, the whole time member has totally ignored the submissions made by the appellant that the alleged trades were carried out only for four days during investigation period and were spread over a period of three months with substantial time difference between trades. The buyers and sellers for each of the four trades were different entities and there was no reversal of trades. The transactions were executed at the prevailing market price and there is no allegation of price manipulation. The trades were carried out on the floor of the exchange and there was transfer of beneficial ownership in all the transactions. Assuming that the trades were synchronized, the fact remains that the trades were executed over a period of three months

and there is no allegation that it affected the price of the scrip. It is an admitted position that synchronized trades per se are not illegal. It is only when synchronized trades are executed with a view to manipulate the price of the scrip that the provisions of the FUTP Regulations will get attracted.....”

- *It is an admitted fact that I am not facing allegation of price manipulation due to execution of alleged synchronized trades. The price of the scrip was affected in negative from the execution of alleged synchronized trades as given in Para 20 of the SCN.*
- *I also place reliance on the Order passed by the Hon'ble Securities Appellate Tribunal in the matter of HB Stockholdings Limited SEBI (Appeal No. 114 of 2012, Order dated 27-08-2013) on synchronized trades.*
- *that the total alleged synchronized trades executed by the alleged six Pabari Group entities as mentioned in the Para 20 of the SCN were only 4,88,047 which come to 2.42% of the total market volume i.e. 2,00,90,685 shares. Thus, the quantum of the alleged synchronized trades were not significant to influence the market equilibrium.*
- *that only 38 trades were executed in between 0 second to 1 minutes from the time of placing buy/sell order placed me and counterparties and resulted into trades. Most of the trades i.e. 144 trades were got executed in between one minutes to six hours fifteen minutes from the time of placing buy/sell order by me and counterparties to my trades.*
- *that in the table given under Para 20 of the SCN details of alleged synchronized trades are provided. It is mentioned in the table that 4 synchronized trades have been matched with two entities on 3 different days. It is humbly submitted that matching of 4 trades out of total 182 trades executed during the investigation period by me are mere co-incidence and no adverse inference should be drawn against me.*
- *that the price of the scrip due to alleged synchronized trades have also not effect significantly. On perusal of the Annexure “E” annexe to the Investigation report it is reveal that price was increased only 0.33% from LTP. Thus, no adverse inference should be drawn.*
- *that no adverse inference has been drawn by the Investigation Officer from Reversal of Trades executed by the purported Pabari Group entities despite the fact that the said reversal trades pertains to more than 3% of the market volume. Thus, no adverse*

inference should be drawn for the alleged synchronized trades which were also not significant in compare to market volume and reversal trades."

17.Ami Stock and Share Brokers Pvt. Ltd(ASSB)(Noticee 17) vide letter dated February 15, 2018 submitted as under:

- *"ASSB had followed and complied with the KYC philosophy in letter and spirit and it had obtained client registration form a/w all necessary KYC documents as statutorily required from Mr. Amar P. Walmiki (hereinafter, "client") and thereafter said client was allowed to place order on stock exchange.*
- *that volume of impugned self-trades by aforesaid clients was insignificant so as to raise any suspicion in respect of his trading in scrip of Refex. The comparison of impugned 'self-trades' vis-à-vis market volume w.r.t. Amar P. Walmiki during investigation period is as under:*

Table 1: Comparison of volume of impugned self-trade to total market volume in Refex scrip during investigation period			
Exchange: BSE Ltd			
Name of client	Volume of Impugned Self Trades	Volume on stock exchange during investigation period	% of impugned 'self-trade' volume to total market volume during investigation period
Amar P. Walmiki	30,410	2,00,90,685	0.15%

- *It can be clearly observed in Table 1 hereinabove that the volume of alleged 'self-trades' vis-a-vis total market volume is very miniscule which can hardly impact the price/volume of said scrip. Further, volume of impugned transactions was insignificant so as to raise any suspicion w.r.t dealing of client in said scrip. Thus, to allege that ASSB failed to exercise due skill, care and diligence while dealing in Refex scrip is unfair and unwarranted*
- *v. Additionally, the trade count comparison of impugned 'self- trades' that occurred in account of Mr. Amar P. Walmiki vis-à-vis market is as under:*

Table 2: Comparison of count of impugned self-trade to total market count in Refex scrip during investigation period			
Exchange: BSE Ltd			
Name of client	Count of Impugned Self Trades	Trade Count on stock exchange during investigation period	% of impugned 'self-trade' count to total market count during investigation period
Amar P. Walmiki	18	46,867	0.04%

- On perusal of Table 2 hereinabove it can be seen that count of impugned 'self-trades' was meagre so as to have any impact on market. Therefore, we humbly submit that the impugned 'self-trades' in Refex have not resulted in creation of artificial volume.
- that impugned self-trade occurred on mere 13 days out of 100 trading days of investigation period and thus we request that no adverse inference be drawn qua us in this regard.
- While opening the client's trading account, ASSB has adopted KYC philosophy in letter and spirit.
- ASSB has no relationship with the aforesaid client except broker-client relationship.
- ASSB had adopted all measures of due skill, care and diligence while dealing with aforesaid client.
- The volume and count of alleged 'self-trades' vis-a-vis total market volume/count is very miniscule which can hardly impact the price and volume of Refex scrip.
- At the relevant point of time, the technology to track trades for order matching was not available with stock exchange. The systems and mechanism for preventions of self-trade evolved and progressed in recent years (i.e. after-2015) whereas impugned 'self-trades' in the scrip of Refex have occurred way back before 9 years i.e. during the year 2008.
- We do not have any relationship, direct or indirect, with the said Company viz. Refex, its Promoters/Directors and any of its allegedly connected entities."

Anil T. Jain (Noticee 18)

18. The relevant parts of the submission of Noticee Anil Jain vide letter dated February 14, 2018 are reproduced as under:

- *"That SCN suffers from serious latches. The purported SCN is issued on November 16, 2017 only i.e. after lapse of 9 years of the investigation period of August 1, 2008 to December 31, 2008.*
- *I deny that so called Bhavesh Pavari group dealt in the shares to support the price-volume in order to facilitate the selling by the promoter. Mere statement of facts does not establish any contravention.*
- *The change in the operating income between the financial years ending March 2008 and March 2009 is very negligible. On the other hand the net profit fell steeply by 77.26% between the said periods. As a matter of fact there was a noticeable variation in the quarterly operating income.*
- *The net profit mentioned for the immediately preceding quarter ending June 30, 2008 should read as Rs 27.62 million. With regard to the price of the scrip it had actually come down to Rs 84.70 on October 14, 2008 from Rs 88.80 from the previous day registering 4.62% price decrease. As such, no adverse inference may be drawn against me from the said analysis.*
- *Since my name does not feature in the details of the alleged 10 connected entities and the other 20 entities which were identified as connected entities based on off-market transactions and KYC, I refrain from giving any comments on the same and deny the same on the grounds of non-traverse.*
- *I deny that I have indulged in synchronized trade as wrongly alleged whether in Patch 1 of Patch 2 of the investigation period. Without admitting or denying I humbly submit that orders placed within a time gap of 1 minute could never be categorized as synchronized trades."*

19. Chunnilal Jain A(Noticee 19) & Nisha Jain (Noticee 20) have submitted as under:

- *“that although we share a common address with Mr Jagdish Jain, we stay at a separate bungalow that has a separate entrance.*
- *While confirming the sale mentioned by you, the sales were done in order to reduce the losses being accrued by them and to meet the financial requirement. The shares were purchased in year of 2011 at an average price of Rs 28.54 approximately. The share price started to decline after that period and were always quoting below Rs 10/- . Since the price started to raise Mr Chunninlal Jain sold the shares with the sole intention to reduce the losses. The price after touching Rs 19/- on July 2, 2015 again started to decline and hence entire lot of his holdings was sold in order to reduce the losses met the financial requirements.*

that Mr Chinni lal was in possession of UPSI. He is senior citizen aged 84 years and is not involved in the day to day administration of RFL. He is neither a director nor a promoter of a company. He is merely related to Mr Anil Jain who happens to be his brother's son.

- *The shares were purchased in 2011 at an average price of Rs 27.89. The share price started to decline after that period and always quoting below Rs 10/- Since the price started to raise Ms Nisha Jain sold the shares with the sole intention of reducing of losses. “*

Bhupesh Harishandra Rathod (Noticee 21)

20. The significant parts of the submission of Bhupesh Harishandra Rathod vide letter dated March 23, 2018 have been reproduced as under:

- *“The Investigation Period i.e. 01-08-2008 to 31-12-2008 comprises to two patches of the Investigation. Admittedly, I have no trades in between except 4 shares during the entire investigation period.*
- *No allegation of synchronized trades/self-trades/reversal of trades and Price manipulation have been alleged against any Noticee including me for trades executed in the Patch II i.e. 04-09-2008 to 31-12-2008.*

- *Admittedly, I have no connection/relation with the Promoters/Directors/Employees of the Company and purported Pabari Group entities.*
- *It is apparent by looking BSE Price Volume data of RFL that the volume had come down significantly in compare to volume in the scrip before the Investigation Period. In the table given under Para 9 of the SCN, it is mentioned that the volume in the scrip of RFL during the Investigation Period was 2,00,907 shares and it was 5,24,282 shares just before the Investigation Period i.e. 02-05-2008 to 31-07-2008.*
- *It is pertinent to mention that the percentage of the deliverable quantity of the shares during the entire Investigation Period was about 55.48% to the total market volume. On perusal of the Price volume data downloaded from the Bombay Stock Exchange website, it is revealed that 1,11,47,077 shares were marked as delivery out of total traded volume of 2,00,90,685 shares during the Investigation Period in the scrip of the Company.*
- *It is further submitted that it is alleged in the SCN that I had made certain off market transfer to Mr. Bhavesh Pabari and Mr. Hemant Sheth. The details of transfer are as follows:-*

DATE	QUANTITY	TRANSFER TO
26-Sep-08	25,000	BHAVESH PRAKASH PABARI
01-Oct-08	20,000	BHAVESH PRAKASH PABARI
03-Oct-08	1,80,000	HEMANT MADHUSUDAN SHETH

- *No allegation were made against any entity including Mr. Bhavesh Pabari and Mr. Hemant Sheth during 04-09-2008 to 31-12-2008 i.e. Patch II. The above said transferred were made in the between the said period, thus no violation have been committed by any one including me.*
- *Off market transactions are per se not illegal and in catena of cases Hon'ble SAT had ruled in favour of the same.*
- *In the entire SCN it is not explained that how I have violated the provisions of PFUTP Regulations. I have not made any fraud and the SCN is totally silent about my role except the aforesaid three off market transfer. "*

21. The authorized representative on behalf of DNG Mercantile Ltd (Noticee 22) vide letter dated January 12, 2018 submitted as under:

- *"Our client repeats, reiterates and confirms what it has stated in its earlier letter dated January 1, 2014 that the said 5,00,000 shares were wrongly and erroneously transferred in our client's DP account and hence, the said shares were immediately transferred the same. Further, our client or its directors don't have any personal, financial business with the other parties, as alleged in the subject Notice and our client further states that our client had not received any consideration for the said shares.*
- *Mr Anil T Jain had wrongfully mentioned in its reply letter that it has to recover monies from our client and also falsely state that it has initiated legal action against our client to recover the alleged money*
- *However, thereafter Mr Anil T Jain sent a legal notice dated December 1, 2008 through its advocate, raising allegations and demanding payments in respect of the alleged transfer of shares to our client. That thereafter, our client replied to the said demand Notice through its Advocate letter dated December 8, 2008, inter-alia stating the falseness and concocted stories contained in the said legal Notice, and also stated that Mr Anil T Jain had, by his earlier letter admitted and confirmed that the demands therein were null and void. That thereafter, no reply whatsoever was received from Anil T Jain or his advocate, which establishes the veracity of the contents of our client's letter and contents therein. Copies of the aforesaid letters dated December 1, 2008 and December 8, 2008 are submitted.*
- *Our client has not violated any of the provisions of law, trading regulations or committed any malpractices or offences as alleged in the subject Notice under reply.*
- *Our client has not directly or indirectly purchased or sold or otherwise dealt in securities in a fraudulent manner."*

22. Yaminiben Pandya (Noticee 23) vide letter dated 09th December, 2013 & 22nd March, 2018 April 5, 2018 submitted as under:

- *"On the advice of some well wishers I had opened Demat Accounts and allowed its use by third parties against monetary consideration which gave me other side income for some period.*
- *I came to know that my accounts were used on the Instructions of Mr. Paras Chaplot, a market operator having his base at Mumbai. I do not know him or his firm or his operating mechanism directly. I was asked to provide my demat accounts for such use against monthly charge of approximately Rs.6000 per month for this use.*
- *I am not at all involved in all the transactions for which allegations are levied vide notice cited above. I would further like to clarify that I am a victim of fraud committed on me by Mr. Paras Chaplot, a market operator having his base at Mumbai. I am also given to understand that Mr. Paras Chaplot is not available/traceable and this is in the knowledge of SEBI. Accordingly, if your office is of the opinion that there have been certain contraventions of the applicable laws and if the person behind the act is missing then it more than justifies my statement that a fraud is done on me and some other gullible Stock Market dealers and the person who played fraud is missing.*
- *Further, I would also like to draw your kind attention that persons mentioned at page no. 20 of the show cause notice were not known to me. I do not know any of them.*
- *I am the mother of Mr. Hardik Pandya and he was formerly working as clerk with the office of Mr. Paras Chaplot. Later on, Hardik was required by Mr. Paras Chaplot to sit in the office of Mr. Samir Shah at Vadodara.*
- *The Account of mine and my son were managed/operated by Mr. Paras Chaplot including opening of the Account with Religare Securities Limited. 2 communication mails as entered between Religare & Mr. Rakesh Singhavi (nephew of Mr. Paras Chaplot are submitted for your reference.*
- *A police Complaint was also lodge against Mr. Paras Chaplot by Hardik for fraud committed against him. Hardik in the past also informed to SEBI, Director Income tax, Axis Bank vide his letter dated 11th December, 2012, 23rd February, 2015 respectively.*
- *I was never a party or member of any group and also never intended to be a party to any group.*
- *Denying any wrong doing in the matter, I would like to draw attention that I have not traded for a single share in the script of Refex Refrigerants Limited.*

- *As mentioned earlier the market operator Mr. Paras Chaplot through his nephew Mr. Rakesh Singhvi used to deal in the market and I am one of the victim.*
- *As mentioned in para 40 of Show cause Notice it could be that Mr. Paras Chaplot and Mr. Anil Jain in collusion with each other have operated the script to go on higher side and duped the innocent investors.*
- *The Master Data of the Companies namely M/s. Refex Refrigerants Limited and M/s. DNG Mercantile Private Limited are attached herewith as "Annexure-C".*
- *M/s. Refex Refrigerants Limited has the registered office in Chennai and DNG Mercantile Private Limited has an office in Ahmedabad and I am based in Vadodara. Except there being a common factor, the transaction cannot happen in between 3 different parties based in 3 different cities. This itself is sufficient to prove the nexus between the market operation and the Promoter Mr. Anil Jain.*
- *There was no reason for transferring 5 Lac shares into my account by M/s. DNG Mercantile Private Limited and in further transferring the same shares to different parties, when I have not traded for a single share in script of M/s. Refex Refrigerants Limited.*
- *I, being a housewife and having very small level of Income would request to drop my name from proceeding taking a lenient view of the matter, in view of submissions made hereinabove."*

23. In the interest of natural justice and in terms of Rule 4 (3) of the Adjudication Rules, vide notices dated April 04, 2016 and September 22, 2017 Noticees were granted an opportunity of personal hearing on April 21, 2016 and October 06, 2017 respectively. Based on the request received from the Noticees, the hearing was rescheduled to October 25, 2017.

24. During the hearing held on February 20, 2018 Amisha Samir Patel, Samir Kumar Kanubhai Patel, Rameshbhai V. Parmar, Hetal Kanubhai Patel, Anil T Jain and hearing held on April 17, 2018 Samir Sah, Panna D Barot, Yamini M Pandya reiterated the submissions made by the Noticees vide letters submitted earlier in reply to the SCN.

25. All the Noticees have been given sufficient opportunity to file the reply as the SCN was issued to them 7 month back i.e. on November 16, 2018. I am proceeding based on the material available on record.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

26. I have carefully perused the charges leveled against the Noticees in the SCN, written submissions made and all the documents available on record. In the instant matter, the following issues arise for consideration and determination:

- a. *Whether Ankit Rajendra Sanchaniya, Hemant Madhusudan Sheth, Amar Premchand Walmiki by creating the misleading appearance in the securities market by executing synchronised trades and self-trades and also being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities have violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) (e) and (g) of PFUTP Regulations?*
- b. *Whether Yeshwanti Udhamanu Anja by creating the misleading appearance in the securities market by executing synchronised trades and also being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities has violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) (e) & (g) of PFUTP Regulations?*
- c. *Whether Rameshbhai Vitthalbhai Parmar, Ashokkumar Bhikhalal Parmar, Panna Dilipsinh Barot, Samir Sureshchandra Shah, Samirkumar Kanubhai Patel, Tushar Rameshbhai Patel, Anand Kalu Marathe, Amisha Samir Patel, Devendra Suresh Gupta, and Kanubhai Patel Hetal being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities have violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations ?*

- d. Whether Kishorbhai Balubhai Chauhan and Bhavesh Prakash Pabari by creating the misleading appearance in the securities market by executing synchronised trades violated regulation 3(a), (b), (c) , (d) and regulation 4(1), 4(2) (a) and (g) of PFUTP Regulations?*
- e. Whether Ami Stock and Share Brokers Pvt. Ltd by executing self trades for its client (Noticee 3) failed to exercise due skill and care and thereby has violated A(2) of the Code of Conduct for Stock Brokers under schedule II r/w Regulation 7 of Stock Brokers Regulations?*
- f. Whether Anil T. Jain has violated Regulation 13(3) of SEBI(PIT) Regulations, 1992 and regulation 7(1A) of SEBI (SAST) regulations, 1997 by failing to make disclosures for selling shares exceeding 2% of the share capital of the company and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations by making gain by off-loading the shares at the increased price and transferred the shares to group entities which had manipulated the volume and price of the scrip?*
- g. Whether Chunnilal Jain A and Nisha Rakesh Jain have violated of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations by making gain by off-loading the shares at the increased price and connected to promoter(Sr 18) who had transferred shares to group entities which had manipulated the volume and price of the scrip.?*
- h. Whether Bhupesh Harishchandra Rathod, DNG Mercantile Ltd and Yaminiben Pandya by facilitating the circuitous off-market transfers by receiving shares from promoter and transferring to group entities, which had manipulated the volume and price of the scrip have violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations?*
- i. Does the violation, if any, attract the penalties on Noticee 1-16 & 19-23 and under Section 15HB of SEBI Act 1992 against Noticee 17 and under section 15A(b) & 15HA of SEBI Act 1992 against Noticee 18 for the alleged violations committed by them.*

- j. *If so, what would be the quantum of monetary penalty that can be imposed on the Noticees taking into consideration the factors mentioned in Section 15J of the Act?*

27. Before proceeding further, I would like to refer to the relevant provisions of law which read as under:

PIT Regulations 1992

Continual disclosure.

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

SAST 1997

7(1A) Any acquirer who has acquired shares or voting rights of a company under sub-regulation (1) of regulation 11, 1 (2) of regulation 11] shall disclose purchase or sale aggregating two per cent or more of the share capital of the target company to the target company, and the stock exchanges where shares of the target company are listed within two days of such purchase or sale along with the aggregate shareholding after such acquisition or sale.

Explanation. – For the purposes of sub-regulations (1) and (1A), the term ‘acquirer’ shall include a pledgee, other than a bank or a financial institution and such pledgee shall make disclosure to the target company and the stock exchange within two days of creation of pledge.

Stock Broker Regulations

CODE OF CONDUCT FOR STOCK BROKERS [Regulation 9]

General

(2) Exercise of due skill and care : A stock-broker shall act with due skill, care and diligence in the conduct of all his business.

PFUTP Regulations 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly –

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

(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;

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

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

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

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

28. RFL came up with IPO in the month of July 2007 at issue price of Rs 65 per share.

The shares of the company were listed on August 20, 2007 at a price of Rs 69. The price of scrip gradually rose to Rs 265 as on August 1, 2008 (start of first patch) and thereafter to Rs 310 (all time high price) on September 2, 2008 (end of first patch). From September 4, 2008 (start of second patch) the price of the scrip started falling and touched a low of Rs 31 as on December 31, 2008 (end of second patch).

29. With above background, I shall now proceed to deal with charges alleged against of various entities in the SCN. Firstly, it is necessary to examine the connections among various entities in the SCN. The connections as alleged in the SCN are as under.

CONNECTION TABLE

Sr	Name & PAN	Connection
1	Amar Premchand Walmiki)	<p>Entered into off market transactions with Bhavesh Pabari in the scrip Well Pack Papers & Containers Ltd. - Received 30,000 shares from Bhavesh Pabari and also transferred 30,000 shares to Bhavesh Pabari.</p> <p>Samir Sureshchandra Shah Received 7,97,337 shares from Amarpremachand wlmiki in the scrip Well Pack Papers & Containers Ltd</p> <p>Fund movement with Amar Premchand Walmiki as seen from Amar Walmiki's HDFC bank account (00602560006218).</p> <p>As per KYC submitted by Way 2 wealth brokers Pvt. Ltd. Shri. Kush Talwar is the common introducer for Yeshwanti Anja & Shri. Amar Premchand Walmiki. Further both Yeshwanti Anja & Amar Prem Chand Walmiki gave Registered POA to Shri. Paras Chaplot for dealing on behalf of them.</p> <p>Received Shares of Refex refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah (Axis Bank account 013010200030533) and same address as that of Hardhik Mahesh pandya who in turn has common contact no as that of Samir Shah i.e. 2362117.</p>

2	Amisha Samir Patel	Off market with Samir Sureshbhai Shah. Fund movement with Samir Shah(Samir Shah's Axis Bank account 013010200030533)
3	Anand Kalu Marathe	Fund movement with Amar Premchand Walmiki as seen from Amar Walmiki's HDFC bank account (00602560006218). Samir Sureshchandra Shah Received shares of reflex refrigerants Ltd from Anand Kalu Marathe.
4	Ankit Rajendra Sanchaniya	Bhaves Pabari and Ankit Rajesh Sanchaniya share a common telephone number. Transferred shares in off market to Prem Mohanlal Parikh and Hemant Madhusudan Sheth.
5	Ashokkumar Bhikhalal Parmar	Introduced by Samir Sureshchandra Shah as per KYC submitted by VSE Stock Services Ltd. Entered into off market transactions with Samir Sureshbhai Shah in the scrip Well Pack Papers & Containers Ltd. Received Shares of Reflex refrigerants in off market from Samir Sureshchandra Shah Received Shares of Reflex refrigerants in off market from Dhirubhai Antolbhai Parmar
6	Benko Trading Pvt Ltd	Received shares in off market from BHARATKUMAR BALDEVBHAI PARMAR in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2010, who is having Having common number as that of Mr. Rameshbhai V Parmar i.e. 9898094041.
7	Bhaves Pabari	Bhaves Pabari and Ankit Rajesh Sanchaniya share a common telephone number. Entered into off market transactions with Amar Prem Chand Walmiki in the scrip Well Pack Papers & Containers Ltd. - transferred 30,000 shares to Amar Premchand Walmiki and also Received 30,000 shares to from Amar Prem Chand Walmiki. Bhaves Pabari had transferred shares in off market to Hemant Sheth in the scrip of crazy info tech Ltd. Mr. Hemant Sheth and Mr. Bhaves Parbari are common directors of M/s Rajnandi Yarns Pvt. Ltd. Trasnferred Share of Reflex Refrigerants Ltd. to HEmant Madhusudhan Sheth. Received Share of Reflex Refrigerants Ltd. From Prem Mohanlal Parikh
8	Chirag Bipin Thakkar	Same address as Jankiben Bipin Thakkar who has been introduced by Samir S Shah and also transferred Shares in Off market to YESHA SHASHIKANT SHAH in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2010
9	Devendra Suresh Gupta	Transferred shares in off market to Samir Sureshbhai Shah in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2010
10	Dhirubhai Antolbhai Parmar	Off-market with Amar Premchand Walmiki in the scrip of well pack papers and containers ltd; Fund movement with Samir Sureshchandra Shah (Axis Bank account 013010200030533) Transferred shares of Reflex refrigerants limited in off market to Ashokkumar Bhikhalal Parmar Received shares of reflex refrigerants Ltd from Rameshbhai Vitthalbhai Parmar.
11	Hemant Madhusudan Sheth	Bhaves Pabari had transferred shares in off market to Hemant Sheth in the scrip of crazy info tech Ltd. Mr. Hemant Sheth and Mr. Bhaves Parbari are common directors of M/s Rajnandi Yarns Pvt. Ltd. Received Share of Reflex Refrigerants Ltd. from Bhaves Prakash Pabari Received Share of Reflex Refrigerants Ltd. from Prem Mohanlal Parikh Received Share of Reflex Refrigerants Ltd. from Ankit Rajendra Sanchaniya
12	Himat Parshottambhai Jatania	Received Shares of Reflex refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah(Axis Bank account 013010200030533) and same address as that of Hardhik Mahesh pandya who inturn has common contact no as that of Samir Shah i.e. 2362117.

13	Jashbhai Patel Pradeepkumar	Entered into off market transactions with Samir Sureshchandra Shah in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2009 to October 30, 2009.
14	Jignesh Chandrakant Shah	Yesha Shashikant Shah Received shares in off market from JIGNESH CHANDRAKANT SHAH in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2011
15	Kanubhai Patel Hetal	Entered into Off market with Samir Sureshbhai Shah (HUF) in the scrip of Well Pack papers and containers Ltd.
16	Kishorbhai Balubhai Chauhan	Bhavesb Pabari had received shares in off market from Kishor Chauhan in the scrip Crazy Infotech Ltd./Pranneta Industries Ltd. In Mr. Kishore Chauhan's bank account No.233010100188012 with Axis Bank, Fort branch, Mumbai, Mr. Bhavesb Pabari was a joint Account holder. Mr. Bhavesb Pabari and Mr. Hemant Sheth are witnesses for demat account in SHCIL (BO ID 19657702).
17	Mala Hemant Sheth	Ms Mala Sheth is wife of Mr. Hemant Sheth and she had fund movement and off market trades with Mr. Bhavesb Pabari and Mr. Prem Parikh. (Mala's Axis Bank account no. 233010100132312).
18	Nareshbhai D Patel	Entered into off-market transactions with Mr. Navneetlal Jeevanlal Gandhi in the scrip Well Pack). Mr. Navneetlal Jeevanlal Gandhi is connected / related to Ms. Manisha Navneetlal Gandhi and Ms. Manisha Navneetlal Gandhi has off market relation with Mr. Amar Premchand Walmiki and Mr. Samir Sureshbhai Shah (AGEPS0157L) in the scrip Well Pack. Mr. Naresh Devabhai Patel has fund movement with M/s Samir Shah & Co., Mr. Ashok Parmar as seen from Mr. Naresh D Patel's Axis Bank account 013010101162787)
19	Navaneetlal Jeevanlal Gandhi	Received shares of Refex Refrigerants Ltd from Rameshbhai Vitthalbhai Parmar.
20	Panna Dilipsinh Barot	Entered into off market transactions with Samir Shah in the scrip Well Pack Papers & Containers Ltd. Introduced by Hardik M Pandya- as per KYC submitted by VSE Stock
21	Prem Mohanlal Parikh	Prem Mohan Lal Parikh Transferred shares of Refex Refrigerants Ltd. to Bhavesb Prakash Pabari and Hemant Madhusudhan Sheth. Received Share of Refex Refrigerants Ltd. from Ankit Rajendra Sanchaniya
22	Rameshbhai Vitthalbhai Parmar	Received Shares of Refex Refrigerants in off market from Samir Sureshchandra Shah. Transferred Shares of Refex Refrigerants in off market to Navaneetlal Jeevanlal Gandhi, Samir Sureshchandra Shah, Dhirubhai Antolbhai Parmar. Received Shares of Refex Refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah(Axis Bank account 013010200030533) and same address as that of Hardik Mahesh pandya who in turn has common contact no as that of Samir Shah i.e. 2362117.
23	Samir Sureshchandra Shah	Off market with Samir Sureshbhai Shah. Fund movement with Samir Shah(Samir Shah's Axis Bank account 013010200030533) Samir Sureshchandra Shah Received 7,97,337 shares from Amarpremand Walmiki in the scrip Well Pack Papers & Containers Ltd Introduced of Samir Sureshchandra Shah as per KYC submitted by VSE Stock Services Ltd. Entered into off market transactions with Ashok kumar Bhikhalal Parmar in the scrip Well Pack Papers & Containers Ltd. Devendra Suresh Gupta transferred shares in off market to Samir Sureshbhai Shah in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2010 Entered into off market transactions with Jashbhai Patel Pradeep kumar in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2009 to October 30, 2009. Samir Sureshchandra Shah transferred shares of Refex Refrigerants Ltd to Tushar Rameshbhai Patel, Ashokkumar Bhikhalal Parmar, Rameshbhai Vitthalbhai Parmar. Samir Sureshchandra Shah Received shares of Refex refrigerants Ltd from Anand Kalu Marathe.

		Received shares of refex refrigerants Ltd from Rameshbhai Vitthalbhai Parmar.
24	Samirkumar Kanubhai Patel	Entered into off market transactions with Samir Shah HUF in the scrip Well Pack Papers & Containers Ltd. Fund movement with Samir sureshchandra Shah (Samir Shah's Axis Bank account 013010200030533)
25	Shital Samir Shah	Having common address with Samir Suresh Chandra Shah i.e. 7 Siddharth Soc, Karelibaug, Vadodara, Gujarat-90018.
26	Spectrum Chemicals Pvt. Ltd.	Having common address as that of Khodiyar Industry (Mr. Ramniklal Patel). Mr. Ramniklal Patel has the same address as that of Mr. Bipinkumar Gandhi, who has share and fund movement with Mr. Bhavesh Pabari.
27	Tushar Rameshbhai Patel	Received Shares of Refex refrigerants in off market from Samir Sureshchandra Shah Received Shares of Refex Refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah(Axis Bank account 013010200030533) and same address as that of Hardhik Mahesh Pandya who in turn has common contact no as that of Samir Shah i.e. 2362117.
28	Vipul Hiralal Shah	Received Shares of Refex refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah(Axis Bank account 013010200030533) and same address as that of Hardhik Mahesh pandya who inturn has common contact no as that of Samir Shah i.e. 2362117.
29	Yesha Shashikant Shah	Yesha Shashikant Shah Received shares in off market from JIGNESH CHANDRAKANT SHAH in the scrip Well Pack Papers & Containers Ltd. during the period January 01, 2010 to June 30, 2011
30	Yeshwanti Udhamanu Anja (AEKPA7683R)	As per KYC submitted by Way 2 wealth brokers Pvt. Ltd. Shri.Kush Talwar is the common introducer for Yeshwanti Anja & Shri. Amar Premchand Walmiki. Further both Yeshwanti Anja & Amar Prem Chand Walmiki gave Registered POA to Shri.Paras Chaplot for dealing on behalf of them. Received Shares of Refex refrigerants in off market from Yaminiben Pandya who is having fund movement with Samir Shah (Axis Bank account 013010200030533) and same address as that of Hardhik Mahesh Pandya who in turn has common contact no as that of Samir Shah i.e. 2362117. Relative of Hardik M Pandya.

30. I observed from the SCN that a group of 10 entities connected to Noticee 16 (Bhavesh Prakash Pabari) were found to be dealing in the scrip and altogether purchased 61,83,627 shares (30.78% of total market volume) and sold 68,33,852 shares (34.01% of market volume) with trading among themselves for 20,34,638 shares constituting 10.12% of the market volume. The entities related to promoters were net sellers during the examination period.

31. With respect to the connections mentioned above, none of the entities have materially denied the facts of movement of funds / shares among the Noticees as mentioned in the table above. However, they submitted that merely on the basis such movement of funds / shares in other unrelated matters, no adverse inference can be drawn with respect to dealings in the of RFL. 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 on the advice of the Noticee Samir Shah as under:

Noticee	Name of Noticee	
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Noticee 21	Bhupesh Harishchandra Rathod	Receipt of shares in off market from Noticee 23 and thereafter transferred onward in Off Market to Noticee 2 and Noticee 16.
Noticee 23	Yaminiben Pandya	Receipt of shares in off market from Noticee 22 and thereafter transferred onward in Off Market to Noticee 4, 5 , 10, 16 and Vipul Hiralal Shah, Himat Jatania (part of connected entities and also dealt in the market)
Noticee 10	Tushar Rameshbhai Patel	Received shares in off market from Noticee 23 and also dealt in the Market.
Noticee 9	Samirkumar Kanubhai Patel	Dealt in the market
Noticee 5	Rameshbhai Vitthalbhai Parmar	Received shares in off market from Noticee 23 and also dealt in the Market.
Noticee 7	Panna Dilipsinh Barot	Dealt in the market
Noticee 14	Kanubhai Patel Hetal	Dealt in the market
Noticee 13	Devendra Suresh Gupta	Dealt in the market
Noticee 6	Ashokkumar Bhikhalal Parmar	Dealt in the market
Noticee 11	Anand Kalu Marathe	Transferred shares to Anil T Jain in off market. He also dealt in the Market.
Noticee 12	Amisha Samir Patel	Dealt in the market
Not a Noticee	Himat Purshottambai Jatania	Receipt of shares in off market from Noticee 23. He also dealt in the Market.
Not a Noticee	Vipul Hiralal Shah	Receipt of shares in off market from Noticee 23. He also dealt in the Market.

32. I note from the above that Noticee 5, 6, 7, 9, 10, 11, 12, 13, 14, 21 & 23 (Samir Group) have been connected with Samir Shah (Noticee 8) through transfer of shares or funds or by relation or friendship. During hearing before me, Noticee 8 stated that he was a broker of Vadodara Stock Exchange and had encouraged its clients (Noticee 7, 23, 14, 12, 9) to open demat and trading account to be used by third parties for monetary consideration. With regard to off market transfer made by Yamini Pandya (Noticee 23) to various other connected entities who dealt in the market, she submitted that she allowed third parties to use her demat accounts and banks for monetary consideration of ranging from Rs. 4000/- to Rs 6000/- per month. Further, it was submitted that she had agreed for such proposition based on the advice of her well-wisher and broker, Samir Shah and therefore allowed to

be used by Paras Chaplot. It is clear from above submission that Samir Shah, being broker of VSE, had encouraged its clients to open demat and bank account for name lending purposes and also fully aware that they would be used by Paras Chaplot, a known acquaintance as mentioned during oral submission before me. It was also orally submitted before me that Hardik M Pandya, who was earlier working with Paras Chaplot (located at Mumbai) was sent to Samir S Shah (located at Vadadora) to assist him in his work. I note from the KYC submitted by Way 2 wealth brokers Pvt. Ltd that both Yeshwanti Anja (Noticee 4) & Amar Prem Chand Walmiki (Noticee 3) gave Registered POA to Shri Paras Chaplot for dealing on behalf of them. From the above submission, it is evident that there is common operator who had control over demat and bank account of entities who lent their accounts for monetary consideration. It is also apparent that the Noticees were signatories for the bank and demat account and have also agreed to have signed the demat account slips and bank cheques, self-drawn money thereby suggesting that they actively participated in the manipulative scheme of things under the directions of Samir Shah / Paras Chaplot.

33. I am of the view that 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 RFL 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 RFL. 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 it was observed that name lending "is a fraudulent activity and requires to be curbed for maintaining the sanctity of the securities market".

34. Apart from above, I also note that Noticee 1, 2, 3, 4 and 16 (Pabari Group) are connected to each other and have dealt majority in the scrip of RFL. Based on documents available on records, I note that these entities have multiple bank and demat accounts with various Depository Participants and Banks. The details of demat and bank accounts of few Noticees are as under.

NUMBER OF DEMAT ACCOUNTS OPENED.

Name	BOID	DP Name and Address
Amar Premchand Walmiki	1202350000214594	SUNIDHI SECURITIES & FINANCE LIMITED
	1202700000056207	SMC GLOBAL SECURITIES LIMITED -
	1202870000017518	BP EQUITIES PRIVATE LIMITED -
	1204470002868967	IIFL SECURITIES LIMITED -
	1201330000283925	NIRMAL BANG SECURITIES PRIVATE LIMITED
	1302590001117905	UNION BANK OF INDIA -
	1203350000854366	BONANZA PORTFOLIO LIMITED -
	1204910000191934	FAIRWEALTH SECURITIES LIMITED -,
	1203410000172685	SSJ FINANCE & SECURITIES PRIVATE LIMITED -,
	1203500000158237	MONARCH NETWORK CAPITAL LIMITED
	1204450000044164	INTIME EQUITIES LIMITED -
	1203320004819129	ANGEL BROKING PRIVATE LIMITED
	1204840000190169	KUNVARJI FINSTOCK PRIVATE LIMITED
	1202300000727942	EMKAY GLOBAL FINANCIAL SERVICES LIMITED -
	1203630000002786	SW CAPITAL PRIVATE LIMITED
	1205470000005225	AMI STOCK AND SHARE BROKERS PRIVATE LIMITED
Bhavesh Pavari	1201060000760310	ANAND RATHI SHARE AND STOCK BROKERS LIMITED
	1201090003334436	MOTILAL OSWAL SECURITIES LIMITED
	1202350000113965	SUNIDHI SECURITIES & FINANCE LIMITED
	1204910000136245	FAIRWEALTH SECURITIES LIMITED
	1202550000025899	WELLWORTH SHARES AND STOCK BROKING LIMITED
	1202850000008579	S. P. JAIN SECURITIES PRIVATE LIMITED
	1205370000009400	COMFORT SECURITIES LIMITED

	1201320000370219	ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED
	1201130000385014	PRABHUDAS LILLADHER PVT LTD
	1203230000134213	EDELWEISS BROKING LIMITED
	1202470000338047	MANGAL KESHAV FINANCIAL SERVICES LIMITED
	1204710000003496	JHP SECURITIES PRIVATE LIMITED
	1204800000029235	FINQUEST SECURITIES PRIVATE LIMITED,
Hemanth Madhusudan Sheth	1201060000468959	ANAND RATHI SHARE AND STOCK BROKERS LIMITED
	1201090003398368	MOTILAL OSWAL SECURITIES LIMITED
	1202850000008583	S. P. JAIN SECURITIES PRIVATE LIMITED -
	1204710000003916	JHP SECURITIES PRIVATE LIMITED -
	1204910000136251	FAIRWEALTH SECURITIES LIMITED
	1202350000145778	SUNIDHI SECURITIES & FINANCE LIMITED -
	1204800000027641	FINQUEST SECURITIES PRIVATE LIMITED -
	1305110000007547	RELIGARE FINVEST LIMITED -
	1202400000012083	BHAVIK RAJESH KHANDHAR SHARES & STOCK BROKERS PRIVATE LIMITED -
	1202470000344200	MANGAL KESHAV FINANCIAL SERVICES LIMITED
	1203410000132728	SSJ FINANCE & SECURITIES PRIVATE LIMITED
	1204800000040498	FINQUEST SECURITIES PRIVATE LIMITED
	1203230000311069	EDELWEISS BROKING LIMITED
	1204450000143811	INTIME EQUITIES LIMITED -
	1201320000304793	ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED
	1201980000133835	ANS PRIVATE LIMITED
	1203230000131590	EDELWEISS BROKING LIMITED
	1205370000005993	COMFORT SECURITIES LIMITED
	1203230000057479	EDELWEISS BROKING LIMITED
	1301540000099849	THE GREATER BOMBAY CO-OPERATIVE BANK LIMITED
	1203440000586591	ARCADIA SHARE & STOCK BROKERS PRIVATE LIMITED
	1203500000234998	MONARCH NETWORK CAPITAL LIMITED -
	1202060000428638	GLOBE CAPITAL MARKET LIMITED -
	1202990005395347	INDIABULLS VENTURES LIMITED -
	1202990005395463	INDIABULLS VENTURES LIMITED -
	1203230000054575	EDELWEISS BROKING LIMITED

NUMBER OF BANK ACCOUNTS OPENED

Name	Bank Details	Other Details
Amar Premchand Walmiki	09572090003750 - KOTAK MAHINDRA BANK LTD	AC Open Date: 15/12/2009

	017400101015596 - CORPORATION BANK -	AC Open Date: 17/06/2009
	00602560006218 - HDFC BANK LTD -	AC Open Date: 02/04/2008
	233010200021766 - AXIS BANK LTD -	AC Open Date: 21/05/2007
	317901011011794 - UNION BANK OF INDIA -	AC Open Date: 21/11/2006
	1011011794 - UNION BANK OF INDIA -	AC Open Date: 27/11/2006
Bhavesh Pavari	233010100174985 - AXIS BANK LTD -	AC Open Date: 18/06/2007
	233010200010317 - AXIS BANK LTD	AC Open Date: 16/06/2009
	233010100139403 - AXIS BANK LTD -	AC Open Date: 21/05/2007
	11437 - JAIN SAHAKARI BANK LTD -	AC Open Date: 13/06/2005
	233010200006958 - AXIS BANK LTD	AC Open Date: 29/11/2005
	008610100015349 - BANK OF INDIA	AC Open Date: 06/06/2007
Hemanth Madhusudan Sheth	1104427 - THE ROYAL BANK OF SCOTLAND	AC Open Date: 12/08/2006
	233010200017824 - AXIS BANK LTD -	AC Open Date: 21/07/2009
	026105002778 - ICICI BANK LTD	AC Open Date: 18/06/2007
	233010100188005 - AXIS BANK LTD	AC Open Date: 03/09/2009
	22510892694 - STANDARD CHARTERED BANK	AC Open Date: 01/01/2008
	09582050133226 - KOTAK MAHINDRA BANK LTD	AC Open Date: 22/12/2009
	12191 - GREATER BOMBAY CO-OP BANK LTD	AC Open Date: 20/07/2005
	233010200022215 - AXIS BANK LTD -	AC Open Date: 20/08/2009
	5217063118 - CITI BANK	AC Open Date: 28/08/2007
	12191 - GREATER BOMBAY CO OP BANK LTD	AC Open Date: 13/04/2004
	00601050132575 - HDFC BANK LTD	AC Open Date: 26/05/2007
	225-1-089269-4 - STANDARD CHARTERED BANK	AC Open Date: 03/12/2007
	200003303241 - INDUSIND BANK LTD-	AC Open Date: 27/07/2007

35. From the above table, it is evident that Noticees have opened multiple number of demat / bank accounts. Although, there is no bar on number of demat and bank account to be opened, it is not normal to open such large number of demat / bank accounts. Based on the documents available on record, I pursued few demat / bank accounts and noted that there were share / fund movement among themselves either directly or indirectly through common entities. I also noted from their demat account transactions statements that apart from dealings in RFL,

similar pattern of off market transfers among themselves were also observed in other scrip. Given the multiplicity of bank accounts, precise trailing of the funds attributable to the dealings in RFL would be difficult as funds were routed through various other entities which did not deal in the scrip. Therefore, I consider it necessary to examine the dealings of connected group in entirety and the surrounding fact and circumstance should be considered to arrive at any conclusion based on preponderance of probability.

36. I also note that the connection between Pabari Group and Samir Group is also established through off market transferred between few entities. Further, based on the KYC documents of entities in Pabari Group and submission made by Samir Group, I note that there is a common operator i.e. Paras Chaplot who is common link between them. Such an observation is based on the fact that there were certain off market transfers between some of these entities in both the group. For example Yamini Pandya, Harish Chandra Rathod transferring shares in off market to Pabari, Hemanth Sheth, Amar Walmiki and Yeshwant Anja. I am of the view that it is not possible to transfer shares to other entity in off market unless the target client details are known before the transfer. The details of target demat account number will be available only with the transferor and with transferee when it is disclosed pursuant to any agreed upon dealings. Further, the fact the Noticees have transferred share without receipt of any consideration also clearly bring out that transfers were not genuine but meant for other purposes. Therefore, I consider the aforesaid transfers between groups is sufficient evidence to establish the connection between both groups either directly or through common entity.

37. Noticees have submitted that their contribution of dealings as percentage to the total volumes, LTP, synchronised, self-trades is miniscule and therefore charges do not stand. Each Noticee, being part of connected group, would have different roles and dealings which if seen individually will not give right prescriptive of large game plan of market manipulations and therefore it is necessary to examine

their dealings in entirety. Accordingly, I shall proceed to deal with dealings of Promoter related entities, Samir group and Pabari group.

DEALINGS OF ANIL T JAIN, CHUNNILAL JAIN, NISHA RAKESH JAIN
(Noticee 18, 19, 20)

38. Before proceeding with the dealings of Noticee, I note that Anil T Jain was the Promoter and Managing Director of Refex Refrigerators, holding 36,70,800 shares as per shareholding pattern for the quarter ended September 2007 which constitutes 24.15% of the share capital. Out of these shares, 35,28,000 shares were under lock-in period which were released in beneficiary account (10242765) of Anil T Jain held with Indbank Ltd on August 11, 2008. The details of shares along with corresponding market value are mentioned in the table below.

Description	Date	Description	No of shares	Closing Market Price as on August 11, 2008	Market Value of shares
Beneficiary - Pre IPO Shares / 10 Aug 2008	11-Aug-2008	To Lock-In Release	3,097,167	Rs 280.55	86,89,10,201
Pledge - Pre IPO Shares / 10 Aug 2008	11-Aug-2008	To Lock-In Release	430,833	Rs 280.55	12,08,70,198
				Total Value	98,97,80,400

39. After release of Pre- IPO shares which were in lock-in, Anil T Jain sold shares in the market, pledged shares and transferred shares in off market. The details of the dealings during the period of investigations are mentioned in the table below.

Nature of transaction	Date of Sale	No of shares Purchase	Average Purchase Rate	Purchase Value	No of shares Sold	Average Sale Rate	Sale Value
Market	27/08/2008	0	0	0	532	286.9	1,52,630
	01/09/2008	0	0	0	60,680	300.12	1,83,18,139
	02/09/2008	0	0	0	1,02,320	305.43	3,09,73,845
	09/09/2008	0	0	0	43,890	279.53	1,21,57,506

	10/09/2008	0	0	0	58,250	252.06	1,47,65,081
	02/12/2008	6,978	20.09	1,40,065	0	0	0
	10/12/2008	75,000	25.6	19,20,000	0	0	0
	Total	81,978		20,60,065	2,65,672		7,63,67,203
Off market	16/08/2008	0	0	0	5,00,000	19 0	9,50,00,000
Pledge	25-Aug-08	By Pledge Request			37,000	277.9	1,02,82,300
	27-Aug-08	By Pledge Request			18,500	286.9	53,07,650
	28-Aug-08	By Pledge Request			18,500	301.2	55,72,200
	02-Sep-08	By Pledge Request			67,000	310	2,07,70,000
	04-Sep-08	By Pledge Request			33,300	308.4	1,02,69,720
	13-Sep-08	By Pledge Request			219,900	218.9	4,81,36,110
	17-Sep-08	By Pledge Request			202,000	178.45	3,60,46,900
	19-Sep-08	By Pledge Request			157,667	161.1	2,54,00,153
	26-Sep-08	By Pledge Request			378,000	124.7	4,71,36,600
	07-Oct-08	By Pledge Request			746,500	100.6	7,50,97,900
	23-Oct-08	By Pledge Request			393,280	58.95	2,31,83,856
	04-Nov-08	By Pledge Request			60,867	41.3	25,13,807
	13-Nov-08	By Pledge Request			212,500	30.45	64,70,625
	17-Nov-08	By Pledge Request			177,800	27.55	48,98,390
	20-Nov-08	By Pledge Request			200,000	23.7	47,40,000
	21-Nov-08	By Pledge Request			132,000	22.55	29,76,600
	01-Dec-08	By Pledge Request			150,000	19.15	28,72,500
	24-Dec-08	By Pledge Request			250,000	32.4	81,00,000
						Total	33,97,75,311
Pledge invocation	04-Nov-2008	To Pledge invocation, KOTAK SECURITIES LIMITED / 10648501			37,500	41.3	15,48,750
	04-Nov-2008	To Pledge invocation, KOTAK SECURITIES LIMITED / 10648501			22,667	41.3	9,36,147
	04-Nov-2008	To Pledge invocation, KOTAK SECURITIES LIMITED / 10648501			77,333	41.3	31,93,852
	04-Nov-2008	To Pledge invocation, KOTAK SECURITIES LIMITED / 10648501			50,000	41.3	20,65,000
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			91,500	22.15	20,26,725
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			135,500	22.15	30,01,325
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			102,700	22.15	22,74,805
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			37,000	22.15	8,19,550
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			112,500	22.15	24,91,875
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			100,000	22.15	22,15,000
	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236			200,000	22.15	44,30,000

	04-Dec-2008	To Pledge invocation, INDUSIND BANK LTD. / 10447236	39,800	22.15	8,81,570
				Total	2,58,84,600

MARKET TRANSACTIONS

40. I have examined the sale of Noticee 18 on the market and analysed the trade log to examine the dealing of connected entities on those days. The details of the connected entities who have dealt are dealt in the table below.

Name of Entity	Date of Sale	No of shares Purchased	Average Rate	No of share Sold	Average sale rate	Net Position	Total market volume	Sale of shares by Anil T Jain
01.09.2008	Amar Premchand Walmiki	82,103	303.09	1,47,212	303.01	65,109 (-)	3,30,124	60,680
02.09.2008	Amar Premchand Walmiki	3,61,557	304.24	2,62,767	304.89	98,790 (+)	9,07,645	1,02,320
	Yeshwanti Anja	95,000	295.72	71,000	302.99	24,000 (+)		
	Hemant Sheth	66,500	303.76	50,000	304.4	16,500(+)		
	Ankit Sanchiniya	50,875	308.95	34,875	310.21	16,000 (+)		
	Bhavesh Pabari	91,000	300.97	0	0	91,000(+)		
09.09.2008	Amar Premchand Walmiki	1,61,278	275.10	1,61,278	269.23	0	4,15,346	43,890
	Yeshwanti Anja	70,000	299	70,550	275.48	550 (-)		
10.09.2008	Amar Premchand Walmiki	2,59,946	273.20	2,58,639	254.05	1307 (+)	7,42,813	58,250
	Yeshwanti Anja	82,000	269.01	82,000	278.37	0		
	Hemant Sheth	25,000	264.6	0	0	25,000(+)		
	Bhavesh Pabari	27,500	255.31	0	0	27,500(+)		

41. From the above table, I note that Anil T Jain sold 1,02,320 shares on September 2, 2008 and on the same day, five connected entities namely Amar Premchand, Yeshwanti Anja, Hemant Sheth, Ankit Sanchiniya and Bhavesh Pabari have also dealt in the scrip. I note that all connected entities have dealt on the same day when Anil T Jain sold majority of shares. Such a coincidence cannot be possible unless there was some pre-arrangement or meeting of minds wherein all have

acted in concert. The trading pattern of entities give a clear indication of such a pre-arrangement. All these entities have together purchased 6,64,932 shares and sold 4,18,642 shares with net buy position of 2,46,290 shares. Further, Bhavesh Pabari bought 91,000 shares and did not sell any shares on that day. From the trade log, I note that aforesaid entities have traded among themselves (buy and sell counter parties were connected entities) to the extent of 2,58,683 shares which constituted 28.5% of the traded volume (9,07,645 shares) on that day. The price of the scrip on September 2, 2008 was Rs 300.95 with high of Rs 315 and closed at price of Rs 302.88. It is seen that the price of scrip touched its highest price during the period of investigation on September 2, 2009. Had these entities not dealt in the scrip on September 2, 2008, it would not have been possible for Anil T Jain to offload 1,02,320 shares without much impact on price. Further, similar such pattern was observed on other days when Anil T Jain, offloaded his shares. Thus, from above trading pattern, I conclude from that Anil T Jain and connected entities have acted in concert which facilitated offloading of shares by Anil T Jain.

42. Apart from above, I also note the counter party for the sale transactions of Noticee on September 2 and 9 2008 is as follows

Date of Sale	No of shares Sold	Name of Counter party buyer	No of shares matched
02/09/2008	1,02,320	Bhimrao Jagtap	47,000
09/09/2008	43,890	Bhimrao Jagtap	30,000

43. I note from the trading pattern of Bhimrao Jagtap, that its first dealing in the scrip was on September 2, 2008 and thereafter on September 9 and 10 of 2008. There are no dealings in the scrip. This client had dealt through Mangal Keshav Securities Ltd during the relevant period. Incidentally, I also note that Kishorebhai Balubhai Chauhan (Noticee not 15), Bhavesh Pabari (Notice no 16) also dealt in the scrip through Broker Mangal Keshav. The pattern of trading clearly indicates, he dealt only to give exit to the Noticee. The trading pattern of Bhimrao Jagtap in entire period of investigation is as under.

Name of Entity	Purchase quantity	Avg Purchase price	Sale quantity	Avg sale price.	Net Position
02.09.2008	47,000	299.61	45,607	302.43	1393 (+)
09.09.2008	30,000	275.5	12,280	270.22	17720 (+)
10.09.2008	0	0	17,720	273.08	17,720 (-)
				Total	1393 (+)

44. I also note that Walmki, was the counter party to sale transactions of connected entities. From the above I note that the Noticees had manipulated by misleading the investors. The scheme of common operator was projected by the Noticees to defraud the investors.

PLEDGE TRANSACTIONS

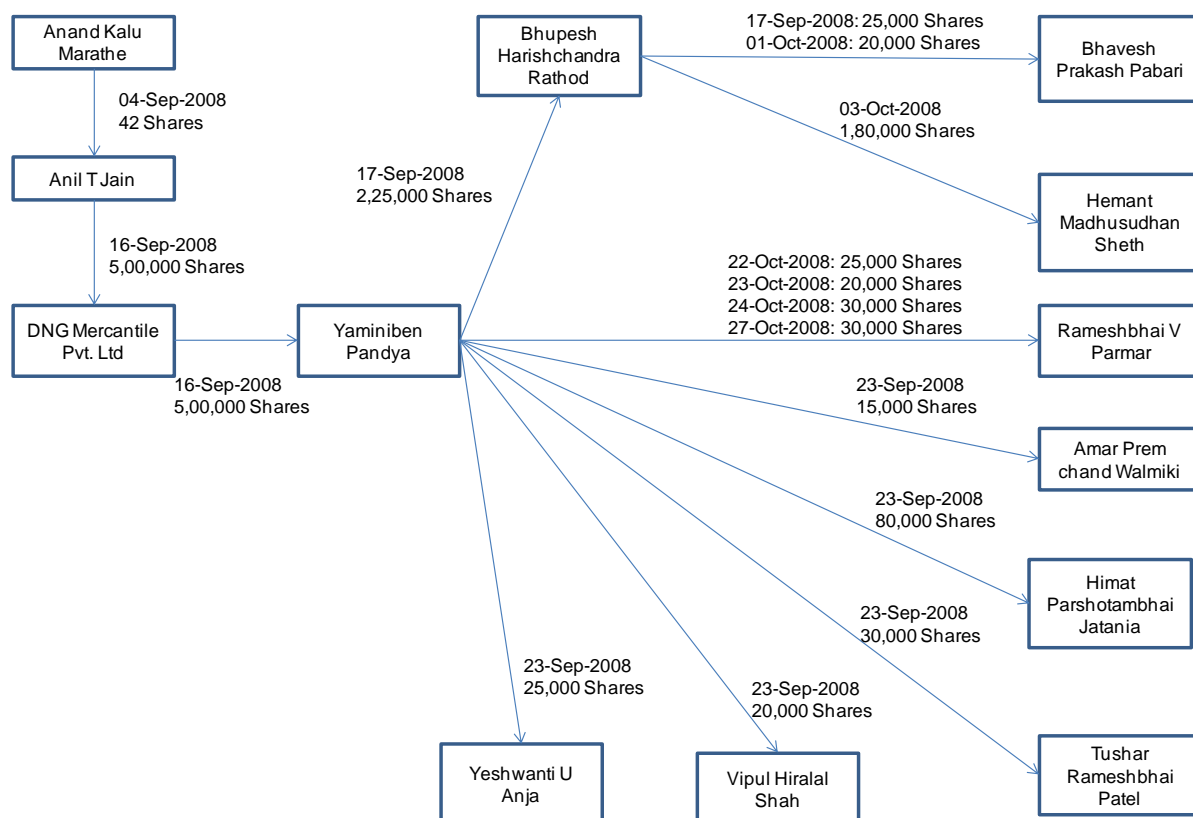
45. The details of pledge transactions as observed in the beneficiary account were forwarded to Anil T Jain, vide email dated April 16, 2018 seeking their comments. Further, documentary evidence regarding off market sale of 5,00,000 shares to DNG Mercantile Pvt Ltd on September, 16, 2008 was also sought. Noticee, vide email dated April 26, 2018 submitted that it had pledged shares for raising money for normal course of business and also submitted that requirement to disclose pledge details of promoters under provisions of Regulation 8 of SAST Regulations 1997 was applicable only after January 28, 2009 and not before. Therefore, non-disclosure of pledge of shares cannot be faulted as there was no such requirement under provisions of SAST Regulations 1997 as it stood at the relevant time. Further, documentary evidence of off market sale was also submitted.

46. I agree with the submissions of Noticee that there was no mandatory requirement to disclose pledge details of promoters till January 28, 2009 and the pledge transactions being referred pertain to the period prior to it. In the present context, the pledge transactions should be seen in conjunction with price rise observed during the period when the shares were pledged by Noticee and subsequent offloading of shares in the market as well as off market. Admittedly, Noticee submitted that it had pledged shares for the purpose of raising money for normal

course of business. It is known fact that valuation of pledge shares will be dependent on the prevailing market price of the scrip during the relevant period. Any increase or fall in price of shares pledged will result in either getting additional money or additional margin calls. Thus, for pledge purpose, the price of the shares will be significant factor to decide the quantum of money which could be raised. From tables mentioned above, I note that value of shares pledged was around Rs 33 crores.

OFF MARKET TRANSACTIONS

- 47.** I note from the off market data that Noticee 18 (Anil T Jain), promoter of the company on September 16, 2008 through off-market transaction transferred 5,00,000 shares to Noticee 22(DNG Mercantile Pvt. Ltd.) which has not dealt in the market during the IP. Noticee 22(DNG Mercantile Pvt. Ltd.) transferred these 5,00,000 shares to Noticee 23 (Yaminiben Pandya M), who also did not deal in the market during the period under investigation. Noticee 23(Yaminiben Pandya M) in turn transferred these 5,00,000 shares to various group entities. Noticee 21(Bhupesh Harsichandra Rathod) received 2,25,000 shares had subsequently transferred these shares to Noticee 16 (Bhavesh Prakash Pabari) and Noticee 2 (Hemant Madhusudha Sheth) who ultimately sold shares thereafter.
- 48.** It was also observed that Noticee 11 (Anand Kalu Marathe), forming part of Pabari Group has directly transferred 42 shares to Noticee 18(Promoter Anil T Jain) on September 04, 2008. The fact that Anand Kalu Marathe from Pabari Group was able to transfer shares to Anil T Jain, by itself signifies that Pabari group was aware of the demat account of Anil T Jain, which is possible only when such details are shared with either Anand Kalu (Pabari group) directly through common market operator.
- 49.** The above off-market transactions between the Noticee 18(Promoter Anil T Jain) and the entities forming part of group are diagrammatically represented below:



50. The price of the scrip started falling from September 12, 2008 and touched lower circuit limits for 16 consecutive trading days i.e. from September 12, 2008 till October 6, 2008. The closing price of the scrip on September 11, 2008 was Rs 221.46 and on October 6, 2008 was Rs 96.65. It was during this period, Noticee on September 16, 2008 transferred 5,00,000 shares to DNG Mercantile Pvt Ltd, an entity located at Ahmedabad. Noticee submitted as the sale of 5,00,000 shares would impact the market price and therefore it had decided to sell shares in off market to DNG Mercantile Pvt Ltd which showed interest to buy shares at Rs 190 for total sale consideration of Rs 9.5 crores. Further, letter dated September 15, 2008 was submitted in support of its claim that shares were sold in off market. The contents of letter is reproduced as under:

“

DATE – 15th September 2008

DNG Mercantile P Limited

II Floor, Swapna Sakaar,
Opp Apsara Cinema,
Ahmedabad – 380 022

We confirm having agreed to sale 5,00,000 shares Equity shares of Refex Refrigerants Limited to you @ 190/ per share

The above shares will be transferred to your account tomorrow morning.

Payment to be released by you @ Rs 1 crore per week to us

You are requested to Kindly accept this sale deed and return the copy to us immediately.

Thanking You

Yours faithfully
M K Sharda

We accepted your offer.

For DNG Mercantile Pvt Ltd

Director
(Kamal Gupta) “

51. Along with above letter, Delivery Instruction Slip (DIS) signed by the Noticee with demat account of DNG Mercantile Pvt Ltd filled in and date of execution of September 16, 2008 was also submitted. I pursued the above letter and not that it is unsigned and also there is no mention of name of Noticee. Further, there is apparent contraction where first line says we confirm having agreed to sale and last para states please kindly accept the sale deed. It is implicit from the wording that there was already have prior agreement before the date of letter. i.e before September 16, 2008. I note that Noticee is located in Chennai and DNG is located at Ahmedabad. The geographical distance coupled with the manner in which it was hurriedly arranged, pursuant to fall in price, when read in conjunction with the terms of agreement of sales, gives me an impression that there must be common market operator between them who coordinated the deal. It is confirmed

from the fact that the letter was unsigned with name of third party mentioned instead of the name and signature of Noticee. The fact that Noticee submitted such documents as evidence towards off market sale also establishes that there was a common operator between DNG and Noticee and close connection of Noticee with such common operator. I am of the view that genuine off market transactions involving crores of Rupees would involve proper legally enforceable documentation along with terms of agreement being fair, clear and transparent. I note that none of such characteristics were present in such off market transfer. Despite that Noticee without any doubts and hesitation, rather comfortably signed the DIS (which is his own signature) and transferred 5,00,000 shares valued Rs 9.5 crores to beneficiary account of DNG, in pursuance of the letter dated September 15, 2008, which was not signed by him. Further, the terms of sale in terms of staggered receipt of payment, are not only highly irregular and not in accordance with the provisions of spot transactions wherein actual delivery of shares and payment of price is required to be completed within 48 hours from date of such agreement. The fact the Noticee, being Promoter and Managing Director of RFL while dealing with its own shares is required to exhibit highest standards of transparency and fairness in its dealings. However, Noticee did not consider it necessary to comply with prudent and rational methods of dealings, rather decided to sell 5,00,000 shares in off market to totally unknown entity, without even receiving one rupee, and also agreeing for payment schedule of one crore every week, speaks loudly that such transfer of shares are not meant for sale transactions but with an intention to support the price of the scrip for a period of 10 weeks from the date of transfer. Noticee submitted in its defense that it had send a demand notice to DNG Mercantile, through its Advocate Mr Prem Kumar, on February 4, 2010. I pursued the document and note that it is merely a reminder to DNG to make payment, failing which legal action will be initiated. However, there is no record submitted before me suggesting that litigation was filed with court of law for recovery. Had he felt genuinely aggrieved of his claim, he was legally entitled to claim before the court of law, which he failed to do so. In the absence of same, I am not inclined to consider the submission as sufficient

evidence to demonstrate the genuineness of transactions. Rather, I consider it as an afterthought and a superficial attempt to create records to give a color of genuineness of its claim. Thus, I conclude that Noticee fully aware of the manipulative purpose of 5,00,000 shares and also aware that it would reach the connected entities through DNG for possible motives of maintaining prices of the scrip to avoid margin calls of shares already pledged with banks after September 15, 2008, parking the shares with manipulators for future manipulations, sale of shares in the market to get favourable price through connected entities. The non-transparent and timing of off market transfers instead of pledging shares, as was being done during the same period, further corroborates that such transfers were not meant to raise finance but for manipulative purposes.

52. I am of the view that pursuant to negative market sentiment due to global financial crisis particularly after filing of Bankruptcy by Lehman Brother on September 15, 2008, the nexus between the promoter and market operators was exposed and established. Had the market crisis not happened, the manipulative and fraudulent scheme of operations to manipulate the price and maintain it for pledge purposes would have continued without the involvement of Promoters on records as there would not have been any requirement to transfer shares in off market to operators without any consideration. I am also of the view that back tracking the transactions provides vital hints and enables to reconstruct the fraudulent, deceptive and manipulative scheme. In the instant case, analysing the off market sale provided greater clarity on the possible manipulative scheme and the modus operandi of manipulation. There can be no laid specific pattern of straight jacket operations but involves large number of front entities who open multiple clients, demat and bank accounts with multiple brokers, DPs and Banks respectively in order to make the trail of securities and funds multi layered, complex and intricate and thereby leaving no traces of direct link. Therefore, indirect links and the facts and circumstance of the case are fair indicators to understand and unwind the manipulative scheme. In the instant case, I have

considered the facts and surrounding circumstances as factors to deciding the involvement of noticees.

53. I consider it appropriate to examine the trading pattern of connected clients in the market after the receipt of shares in off market from Anil T Jain, as mentioned in the diagram above. The details of dealings are mentioned in the table below.

Sl No	Name of Noticee	Off market receipt	Buy Qty	Sell Qty	Net Sell qty	Avg Sell Rate	Net Rate
1	Amar Premchand Walmiki	15,000	2,85,977	3,55,614	69,637	92.99	64,75,545
2	Bhavesh Prakash Pabari	45,000	0	1,52,000	1,52,000	98.29	1,49,40,080
3	Vipul Hiralal Shah	20,000	0	2,39,769	2,39,769	95.56	2,29,12,718
4	Ramesh V Parmar	1,05,000	0	1,10,000	1,10,000	37.41	41,15,100
5	Hemant Madhusudan Sheth	1,80,000	0	5,76,218	5,76,218	103.51	5,96,44,325
6	Yeshwanti Udhamanu Anja	25,000	1,10,000	1,72,560	62,560	91.85	57,46,136
					12,10,184		11,38,33,904

54. I note that the connected entities have dealt (majorly sold) only on one day i.e. October 7, 2008 except for Ramesh V Parmar and Hemant Sheth who sold on November 5, 2008 and October 3, 2008 respectively. Apart from dealing on two or three days as mentioned above, none of the connected entities have dealt in the scrip after receipt of shares in off market and subsequent offloading of shares in the market. Such a pattern of trading is exactly contrary to their dealings in the scrip prior to receipt of off market transfers. The entities mentioned above have contributed substantially to the total volumes registered prior to receipt of off market shares. From the above table, I note that total value of shares sold in the market by connected entities i.e. 12,10,184 shares (including 5,00,000 shares received through off market) was Rs 11 crores. This amount is close to the sale consideration of Rs 9.5 crores agreed between Anil T Jain and DNG Mercantile for off market sale of 5,00,000 shares, as per the submission of Anil T Jain. Considering above facts, submission of Anil T Jain, I conclude that Noticee 18, promoter and Managing Director of RFL, around the time when Pre-IPO shares were released, engaged market operator to manipulate the price and also stabilise

the price in order to facilitate sale of shares on the market and also pledge shares with banks to get favourable higher valuations for the share pledged.

55.In view of above findings, I conclude that Anil T Jain, the promoter and two entities connected to him viz., Nisha Rakesh Jain and Chunnilal Jain by offloading their shares in market and made substantial gains.

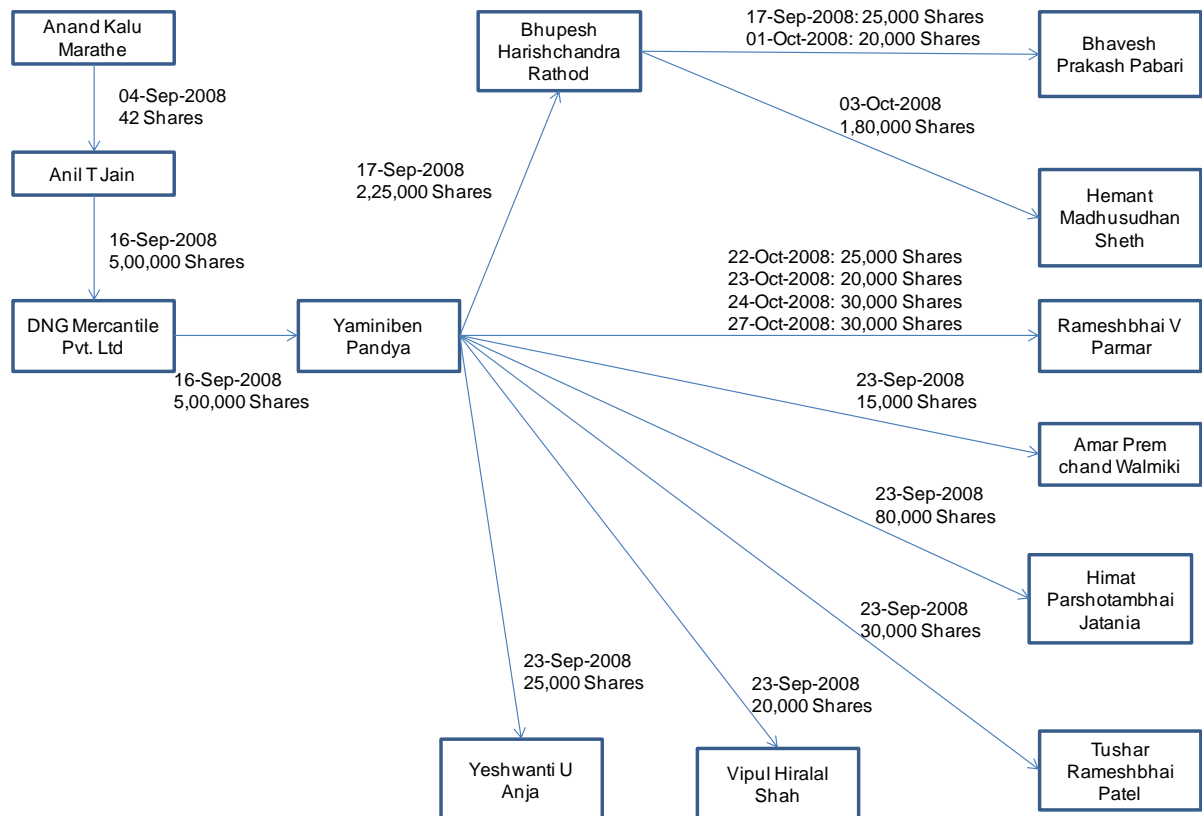
56.Promoter Anil T Jain and two entities connected to him traded during the investigation period and gained through sale of shares, the details of which is given below:

PAN	Name	Qty Bought	Value of Shares bought	Average Rate per Share bought	Qty sold	Value of Shares sold	Net Qty	Average Rate per Share sold	Squared off Qty
A	B	C	D	E	F	G	H	I	J = Min(F&C)
AADPA8582A	Anil T Jain	82,510	22,12,696	26.82	2,65,672	7,63,67,204	(183,162)	287.45	82,510
AFDPJ7713H	Nisha Rakesh Jain	11,300	12,44,810	110.16	8,200	20,95,588	3,100	255.56	8,200
AAEPC5214A	Chunnilal Jain A	21,700	27,57,491	127.07	2,600	7,47,252	19,100	287.40	2,600
Total		1,15,510	62,14,997	53.80	2,76,472	7,92,10,044	(160,962)	286.50	1,15,510
Mr.Anil T Jain is the promoter director of the company, as per UCC data base Anil T Jain and other two entities in above table have common address Old No 52 New No 151 Habibullah Road T Nagar Chennai – 600 017.									

57.Further, Anil T Jain, had also pledged shares at the inflated price. I also conclude that Noticee was fully aware and actively involved in the game plan of operators and therefore transferred, as part of manipulative scheme, 5,00,000 shares in off market through various entities who have not dealt in the market i.e. DNG Mercantile Ltd (Noticee 21), Yaminiben Pandya (Noticee 22) and Bhupesh Harishchandra Rathod (Noticee 23) which were ultimately sold in the market valued Rs 11.3 crores as mentioned above.

58. In view of above, the charges alleged in the SCN against Anil T Jain, Chunnilal Jain A and Nisha Rakesh Jain (Noticee 18-20) of violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations, 2003 stand established.

DEALINGS OF BHUPENDRA HARISH RATHOD AND YAMINIBEN PANDEY (Noticee 21 and 23)



59. I note that Noticee transferred shares further to its connected entities various dates, without receiving any consideration or any agreement for sale of shares, who ultimately sold the shares in the market. In order to move shares from any demat account, signature of the account holder and details of transferee beneficiary account will be required. In the instant case, I note that Noticee, being account holder, signed the instruction to transfer shares in off market and also was the details of the transferee beneficiary account was available with it. In the absence of any agreement for sale and non-receipt of any consideration, it is

implicit that details of the transferee beneficiary account was provided by common market operator and Noticees were fully aware of the operator and purpose of such transfers. Therefore, I conclude that Noticees have voluntarily agreed to allow it's demat account to be used for routing of shares, as signatures to move such shares were done by themselves. Noticee cannot escape avoid the responsibility for misuse of their accounts by third parties. Had Noticees disallowed such transfers, deceptive, fraudulent and manipulative scheme of operations by operators would not have taken place. Therefore, I conclude that Noticee had participated in the scheme of things and the charges against Bhupesh Harishchandra Rathod, Yaminiben Pandey (Noticee 21 and Notice 23) stands established and thereby violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) & (d) of PFUTP Regulations, 2003.

DEALINGS OF DNG MERCANTILE LTD (Noticee 22)

60. I note that Noticee received 5,00,000 shares in off market on September 16, 2008 from the Anil T Jain, Promoter and Managing Director of RFL. On same day DNG transferred 5,00,000 shares to Yaminiben Pandey (Noticee 23). With respect to these shares, Noticee submitted that they were erroneously transferred by Anil T Jain and therefore forwarded to Yaminiben Pandey, as advised. There are no records to suggests that DNG had received any payments from Yaminiben Pandey towards off market transfer of 5,00,000 shares and no payments were made to Anil T Jain for receipt of shares from him. It is thus clear that only the shares were routed through the demat account of DNG.

61. I note that DNG is located at Ahmedabad and Anil T Jain is located at Chennai. I recall that in connection with aforesaid transfer of shares, Anil T Jain, had submitted an agreement entered between them on September 15, 2008. From the submissions of Anil T Jain and DNG, I note that there is apparent contradiction between the statements of transferor and transferee with respect to off market transfer of 5,00,000 shares. Anil T Jain stated that it was an off market sale and no

consideration was paid by DNG as agreed by them, whereas DNG submitted that it was not an off market sale but erroneously transferred to them. Further, they also submitted copies of Legal notices sent to each other on the subject matter. However, none of them have actually filed any legal suit in the court of law, though their claim on the face of it is legally enforceable. With respect to submissions of DNG, I am of the view that in case the shares were erroneously transferred to their demat account, same should have been transferred back to transferor instead of transferring to some third parties. The fact that shares were transferred only to such entities who are connected to Samir / Pabari group, clearly indicates that it is not merely a coincidence but part of the larger scheme of manipulations, as beneficiary account details of third parties would not be available with DNG unless it is provided by common operators. I also note that Noticee, being account holder, had signed the instruction to transfer shares in off market to third parties and therefore voluntary involvement is evident.

62. In connection with ongoing Adjudicating Proceedings against DNG Mercantile Ltd, it submitted reply vide letter dated January 12, 2018 wherein two letters dated December 1, 2008 and December 8, 2008 were attached as Annexure A. However, copies of letters dated 13.10.2008, 21.10.2008 and 22.10.2008 mentioned at para 1 of its letter dated December 8, 2008 were not enclosed with the reply. DNG failed to submit the copy of the letters 13.10.2008, 21.10.2008 and 22.10.2008 in the Adjudication Proceedings.

63. I have pursued the letter dated December 1, 2008 forwarded by DNG accompanied with reply dated January 12, 2018 from DNG said to be accompanied by three letters dated 13.10.2008, 21.10.2008 and 22.10.2008 which demonstrates that the claim of Anil T Jain was null and void. During the proceedings vide May 9, 2018 I specifically asked for the copies of these documents which they have relied upon to indicate that there was no dues as claimed by Anil T Jain and also accepted by Anil T Jain as null and void. I consider this document as critical evidence which they fail to produce during the

proceedings. Nevertheless the pattern of the transaction as mentioned in above paragraph brings out that the shares were transferred by Anil T Jain for purposes other than the off market sales due to reason mentioned above.

64. I note that Noticee transferred shares further to its connected entities various dates, without receiving any consideration or any agreement for sale of shares, who ultimately sold the shares in the market. In order to move shares from any demat account, signature of the account holder and details of transferee beneficiary account will be required. In the instant case, I note that Noticee, being account holder, signed the instruction to transfer shares in off market and also was the details of the transferee beneficiary account was available with it. In the absence of any agreement for sale and non-receipt of any consideration, it is implicit that details of the transferee beneficiary account was provided by common market operator and Noticees were fully aware of the operator and purpose of such transfers. Therefore, I conclude that Noticees have voluntarily agreed to allow its demat account to be used for routing of shares, as signatures to move such shares were done by themselves. Noticee cannot escape avoid the responsibility for misuse of their accounts by third parties. Had Noticees disallowed such transfers, deceptive, fraudulent and manipulative scheme of operations by operators would not have taken place. Therefore, I conclude that Noticee had participated in the scheme of things and the charges against DNG Mercantile Ltd (Noticee 22) stands established and thereby violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) & (d) of PFUTP Regulations, 2003.

NON DISCLOSURE OF OFF MARKET SALES

65. Consequent to sale of 5,00,000 shares in off market on September 16, 2008, Anil T Jain did not make any disclosure, as required, under Regulation 13(3) of the PIT regulations 1992 and Regulation 7(1A) of SAST 1997 for change in shareholding in the company exceeding 2% of the share capital of the company. In this regard, Noticee did not submit any documentary proof that it made disclosures as

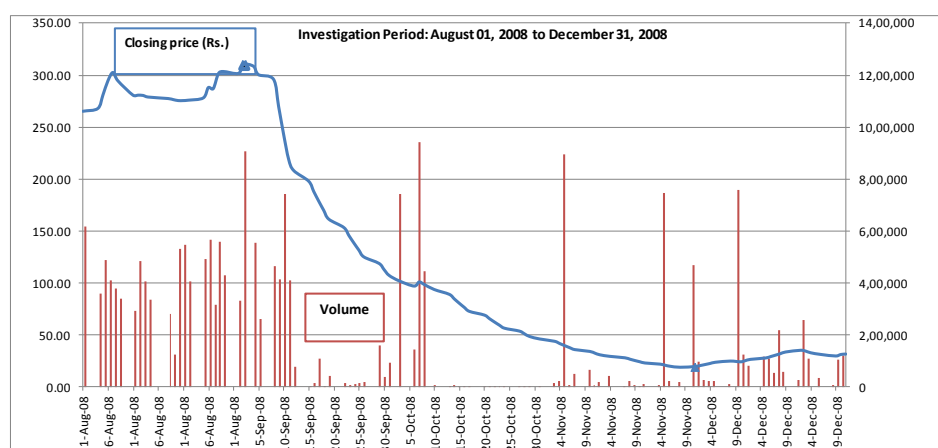
required under aforesaid regulations to the company and to stock exchanges. In the absence of same, I conclude that Noticee 18 (Anil T Jain) violated Regulation 13(3) of PIT Regulations, 1992, Regulation 7 (1A) of SAST 1997.

MARKET DEALINGS OF CONNECTED ENTITIES (Noticee 1 to 17)

As mentioned in above paras, I consider it necessary to examine the dealing of connected entities together in order to holistic picture to understand the impact of their dealings in carrying out the scheme of manipulations.

Price-Volume Data:

66. The Price-Volume Chart of the scrip during the investigation period is as under:



67. From the above chart it can be observed that the price movement was in following two patches:

Par value: Rs.10								
Patch	No. of trading days	Dates	Price /Vol.	Opening Price (volume) on first day of the period	Closing price (volume) on last day of the	Low price (volume) during the	High Price (volume) during the	Avg. no. of (shares) traded daily during

					period (Rs.)	period (Rs.)	period (Rs.)	the period
Patch-I (Price rise)	22	August 01, 2008 to September 02, 2008	Price	265.40	310.00	256.00	315.00	4,36,054
			Vol.	6,17,538	9,07,645	1,22,648	9,07,645	
Patch-II (Price fall)	78	September 04, 2008 to December 31, 2008	Price	307.05	31.15	17.55	311.45	1,34,583
			Vol.	5,54,744	1,21,744	272	9,41,088	

68. Details of top 10 clients during the investigation period are given below:

<u>Top 10 Clients by gross buy qty</u>			<u>Top 10 Clients by gross sell qty</u>		
Buyer Name	Total Volume	% of Traded Volume	Seller Name	Total Volume	% of Traded Volume
Amar Premchand Walmiki	40,47,927	20.15	Amar Premchand Walmiki	39,97,873	19.90
Yeshwanti Udhamanu Anja	12,94,500	6.44	Yeshwanti Udhamanu Anja	13,42,359	6.68
JMP Securities Pvt Ltd	8,30,350	4.13	Hemant Madhusudan Sheth	12,01,462	5.98
Hemant Madhusudan Sheth	7,98,265	3.97	Jmp Securities Pvt Ltd	8,28,440	4.12
Ankit Rajendra Sanchaniya	6,08,588	3.03	Ankit Rajendra Sanchaniya	6,69,988	3.33
Nitin Dharamshi Goratela	5,84,629	2.91	Nitin Dharamshi Goratela	5,47,629	2.73
Bp Fintrade Private Limited	4,32,628	2.15	Bp Fintrade Private Limited	4,32,622	2.15
Benko Trading Pvt Ltd	3,85,232	1.92	Pr Vyapaar Private Limited	4,00,000	1.99
Himat Parshottambhai Jatania	3,25,000	1.62	Benko Trading Pvt Ltd	3,80,465	1.89

Excel Mercantile Private Limited	3,00,000	1.49	Excel Mercantile Private Limited	3,50,000	1.74
Total of top 10 clients	96,07,119	47.82	Total of top 10 clients	1,01,50,838	50.53
Total of rest of clients	1,04,83,566	52.18	Total of rest of clients	99,39,847	49.47
Total Traded Volume	2,00,90,685	100.00	Total Traded Volume	2,00,90,685	100.00

69. It is observed that Noticee 3 (client Amar Premchand Walmiki) was highest buyer for 40,47,927 shares (20.15% of total market volume) and highest seller for 39,97,873 shares (19.90% of total market volume) on during the investigation period. The 6 entities on gross buy side and 5 entities at gross sell side (given in bold) are part of shortlisted group entities whose details are given in the following paragraph.

70. From the gross buy, gross sell and net traded volume of the group during the IP details are given below:

Sl No	Name	Gross Buy Qty	Gross Buy Qty as a % of Mkt Vol.	Gross Sell Qty	Gross Buy Qty as a % of Mkt Vol.	Net Buy(Sell) Qty
1	Amar Premchand Walmiki	40,47,927	20.15	39,97,873	19.90	50,054
2	Yeshwanti Udhamanu Anja	12,94,500	6.44	13,42,359	6.68	(47,859)
3	Hemant Madhusudan Sheth	7,98,265	3.97	12,01,462	5.98	(4,03,197)
4	Ankit Rajendra Sanchaniya	6,08,588	3.03	6,69,988	3.33	(61,400)
5	Benko Trading Pvt Ltd	3,85,232	1.92	3,80,465	1.89	4,767
6	Himat Parshottambhai Jatania	3,25,000	1.62	2,36,768	1.18	88,232
7	Bhavesh Prakash Pabari	2,45,300	1.22	3,46,000	1.72	(1,00,700)

Sl No	Name	Gross Buy Qty	Gross Buy Qty as a % of Mkt Vol.	Gross Sell Qty	Gross Buy Qty as a % of Mkt Vol.	Net Buy(Sell) Qty
8	Tushar Rameshbhai Patel	2,33,300	1.16	2,33,097	1.16	203
9	Rameshbhai Vitthalbhai Parmar	2,29,370	1.14	3,22,277	1.60	(92,907)
10	Devendra Suresh Gupta	1,82,000	0.91	1,82,000	0.91	-
11	Spectrum Chemicals Pvt. Ltd.	1,81,174	0.90	2,94,876	1.47	(1,13,702)
12	Vipul Hiralal Shah	1,62,100	0.81	2,94,769	1.47	(1,32,669)
13	Samir Sureshchandra Shah	1,60,633	0.80	1,91,155	0.95	(30,522)
14	Kishorbhai Balubhai Chauhan	1,52,803	0.76	1,73,803	0.87	(21,000)
15	Prem Mohanlal Parikh	79,100	0.39	88,500	0.44	(9,400)
16	Ashokkumar Bhikhalal Parmar	72,197	0.36	73,374	0.37	(1,177)
17	Panna Dilipsinh Barot	71,686	0.36	77,043	0.38	(5,357)
18	Amisha Samir Patel	52,230	0.26	52,430	0.26	(200)
19	Mala Hemant Sheth	39,765	0.20	29,565	0.15	10,200
20	Samirkumar Kanubhai Patel	39,665	0.20	40,165	0.20	(500)
21	Shital Samir Shah	33,641	0.17	33,641	0.17	-
22	Nareshbhai D Patel	33,000	0.16	34,000	0.17	(1,000)
23	Anand Kalu Marathe	30,701	0.15	31,781	0.16	(1,080)
24	Chirag Bipin Thakkar	30,339	0.15	28,462	0.14	1,877
25	Navaneetlal Jeevanlal Gandhi	25,769	0.13	35,769	0.18	(10,000)
26	Jashbhai Patel Pradeepkumar	24,755	0.12	24,755	0.12	-
27	Kanubhai Patel Hetal	17,064	0.08	17,064	0.08	-
28	Jignesh Chandrakant Shah	14,476	0.07	14,476	0.07	-
29	Yesha Shashikant Shah	14,000	0.07	14,000	0.07	-

Sl No	Name	Gross Buy Qty	Gross Buy Qty as a % of Mkt Vol.	Gross Sell Qty	Gross Buy Qty as a % of Mkt Vol.	Net Buy(Sell) Qty
30	Dhirubhai Antolbhai Parmar	5,446	0.03	9,646	0.05	(4,200)
	Group Total	95,90,026	47.73	1,04,71,563	52.12	(8,81,537)
	Market Total	2,00,90,685	100.00	2,00,90,685	100.00	-

71. From the above table it is observed that the group had altogether purchased 95,90,026 shares and sold 1,04,71,563 shares constituting 47.73% and 52.12% on buy and sell side respectively of the total traded quantity of 2,00,90,685 shares during the IP.

72. From the day wise trading activity of the group entities during the IP it is observed that, the group entities had traded on 54 trading days out of 100 trading days during the IP. Further, during the patch I (price rise), it is observed that the group entities had traded on all 22 trade days and during the patch II (price fall), the group had traded only on 32 out of 78 trading days.

73. During the patch-I of the investigation period the group entities indulged in volume creation through synchronized trades, reversal trades and self-trades and also indulged in inflating the price of the scrip.

Synchronized Trades Analysis:

74. It is observed from the analysis of trade and order log that the group entities indulged in synchronised trades (where the buy and sell order quantity and rate were identical and orders for these transactions were placed within time gap of one minute). It is observed that the group entities executed large number of their trades in patch-I compared to patch-II.

75.It is observed that 24 group entities, forming 37 pairs, indulged in synchronised trades during patch-I and 11 group entities, forming 11 pairs, executed synchronised trades during patch-II. The summary of synchronised trades executed by these entities is given below:

Patch	Market Volume	Gross Buy Qty of group entities	Gross Sell Qty of group entities	Total traded qty among the group entities	Sync traded qty by group entities	Sync Trades as % of total traded qty among the group entities	Sync Trades as % of Total market volume	Sum of LTP cont. at Sync Trades	Sum of NHP cont. at Sync trades
A	B	C	D	E	F	G = F/E	H = F/B	I	J
Patch I	95,93,177	69,66,405	63,51,627	46,26,675	6,14,327	13.28%	6.40%	(2.75)	-
Patch II	1,04,97,508	26,23,621	41,19,936	19,37,340	2,16,172	11.16%	2.06%	1.25	-
Total	2,00,90,685	95,90,026	1,04,71,563	65,64,015	8,30,499	12.65%	4.13%	(1.50)	-

76.It is observed from the above table that the group had executed significant quantity of synchronised trades for 6,14,327 shares (i.e. 6.4% of market volume) during patch-I.

77.For the purpose of understanding, five synchronised trades executed between two group entities viz, Noticee 15 [Kishorbhai Balubhai Chauhan (Kishore)] and Noticee 2 [Hemant Madhusudan Sheth (Hemant)] on August 12, 2008 are given below:

Buyer Name	Seller Name	Trade ID	Trade Time	Buy Order Time	Sell Order Time	Trade Price	Buy Order Price	Sell Order Price	Trade Qty	Sell Order Qty	Buy Order Qty	Time Diff.	Price Diff	Qty Diff
KISHOR	HEMANT	269	11:48:11	11:48:10	11:48:09	279.00	279.00	279.00	15,000	15,000	15,000	00:01	0	0
KISHOR	HEMANT	271	11:48:34	11:48:31	11:48:34	281.00	281.00	281.00	14,900	15,000	15,000	00:03	0	0
KISHOR	HEMANT	279	11:49:01	11:49:01	11:49:01	281.00	281.00	281.00	9,952	10,000	10,000	00:00	0	0
KISHOR	HEMANT	288	11:49:32	11:49:30	11:49:31	281.90	281.90	281.90	5,000	5,000	5,000	00:01	0	0
KISHOR	HEMANT	291	11:50:01	11:50:01	11:50:00	281.95	281.95	281.95	4,000	5,000	5,000	00:01	0	0

78. From the above table it is observed that the buy order price and quantity are same as sell order price and quantity and the difference between time of placing the buy order and sell order were within was less than 60 seconds.

79. As 24 group entities executed synchronised trades during patch-I, entities who had executed synchronised trade quantity of more than 50,000 shares and indulged in synchronised trades on more than a day were shortlisted for further analysis. The analysis revealed six such group entities. The synchronised trade quantity among these six entities alone was 4,88,047 shares, constituting 79.44% of the group's synchronised trades and 5.08% of the market volume. The details of synchronised trades executed between six group entities are tabulated below:

Buy Client Name	Sell Client Name	No. of Trades	No of days	Sync. Qty.	% of Sync. Vol. to Mkt. Vol.	No. of Buy Orders	No. of Sell Orders
HEMANT MADHUSUDAN SHETH	ANKIT RAJENDRA SANCHANIYA	7	5	1,00,117	1.04	7	7
HEMANT MADHUSUDAN SHETH	KISHORBHAI BALUBHAI CHAUHAN	6	2	71,000	0.74	6	6
HEMANT MADHUSUDAN SHETH	HEMANT MADHUSUDAN SHETH	3	3	53,489	0.56	3	3
AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	2	1	49,505	0.52	2	2
KISHORBHAI BALUBHAI CHAUHAN	HEMANT MADHUSUDAN SHETH	5	1	48,852	0.51	5	5
YESHWANTI UDHAMANU ANJA	AMAR PREMCHAND WALMIKI	4	4	47,578	0.50	4	4
ANKIT RAJENDRA SANCHANIYA	ANKIT RAJENDRA SANCHANIYA	8	3	29,599	0.31	5	7
BHAVESH PRAKASH PABARI	ANKIT RAJENDRA SANCHANIYA	1	1	24,502	0.26	1	1
BHAVESH PRAKASH PABARI	KISHORBHAI BALUBHAI CHAUHAN	1	1	17,980	0.19	1	1

KISHORBHAI BALUBHAI CHAUHAN	ANKIT RAJENDRA SANCHANIYA	2	2	15,000	0.16	2	2
ANKIT RAJENDRA SANCHANIYA	BHAVESH PRAKASH PABARI	2	1	15,000	0.16	2	2
ANKIT RAJENDRA SANCHANIYA	HEMANT MADHUSUDAN SHETH	2	2	8,475	0.09	2	2
ANKIT RAJENDRA SANCHANIYA	AMAR PREMCHAND WALMIKI	1	1	6,950	0.07	1	1

80.It is noted from the above table that the six entities viz, Noticee 2(Hemant Madhusudan Sheth), Noticee 1(Ankit Rajendra Sanchaniya), Noticee 15(Kishorbhai Balubhai Chauhan), Noticee 3 (Amar Premchand Walmiki), Noticee 4(Yeshwanti Udhamanu Anja) and Noticee 16(Bhavesh Prakash Pabari) were involved in creation of artificial volume by indulging in synchronised trades on more than one day. These trades constitute 5.08% of market volume during patch-I. These trades were entered into with the purpose of creation of artificial volume leading to false and misleading appearance of trading in the scrip and were thereby fraudulent. It is therefore the violation of Regulations 3(a),(b), (c), (d), 4(1), 4(2) (a),(b), (e) and (g) of PFUTP Regulations, 2003 by Noticee 1, 2, 3, 4, 15 & 16 stands established.

Reversal of trades:

81.The trade order log was examined and noted that group entities indulged in reversal trades wherein the shares bought from counter-party were sold back to the same counter-party during the day. The summary of the reversal trades details of the group is given below:

Patch - I			Patch - II			Total		
Market Volume	Reversal Trade Qty by the group	% of Reversal Quantity to Market Volume	Market Volume	Reversal Trade Qty by the group	% of Reversal Quantity to Market Volume	Market Volume	Reversal Trade Qty by the group	% of Reversal Quantity to Market Volume
95,93,177	3,86,461	4.03%	1,04,97,508	3,35,696	3.20%	2,00,90,685	7,22,157	3.59%

Instances of Reversal of Trades.

Date	PAN 1 Client Name	PAN 2 Client Name	Qty. (PAN 2(Sell) to PAN 1(Buy))	Qty. (PAN 1(Sell) to PAN 2(Buy))	Reversa l Qty.	% of reversal Qty to day mkt volume
01.08.2008	SPECTRUM CHEMICALS	SAMIR SHAH	434	190	190	0.03
01.08.2008	SPECTRUM CHEMICALS	ANAND KALU MARATHE	2340	548	548	0.09
04.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	30937	34599	30937	8.64
05.08.2008	JASHBHAI PATEL PRADEEPKUMAR	SAMIRKUMAR KANUBHAI PATEL	2500	500	500	0.10
05.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	2049	5875	2049	0.42
05.08.2008	AMAR PREMCHAND WALMIKI	JIGNESH CHANDRAKANT SHAH	861	4755	861	0.18
05.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	349	957	349	0.07
05.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	20000	1478	1478	0.30
05.08.2008	SAMIR SURESHCHANDRA SHAH	SAMIRKUMAR KANUBHAI PATEL	3000	3000	3000	0.62
05.08.2008	SAMIR SURESHCHANDRA SHAH	NARESHBHAI D PATEL	2000	2000	2000	0.41
06.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	10677	10	10	0.00
06.08.2008	AMAR PREMCHAND WALMIKI	SHITAL SAMIR SHAH	7182	1305	1305	0.32
07.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	500	6440	500	0.13
07.08.2008	AMAR PREMCHAND WALMIKI	RAMESHBHAI VITTHALBHAI PARMAR	2821	1953	1953	0.51

07.08.2008	RAMESHBHAI VITTHALBHAI PARMAR	ANKIT RAJENDRA SANCHANIYA	600	5000	600	0.16
08.08.2008	AMAR PREMCHAND WALMIKI	TUSHAR RAMESHBHAI PATEL	5000	77940	5000	1.47
11.08.2008	HEMANT MADHUSUDAN SHETH	ANKIT RAJENDRA SANCHANIYA	5000	20032	5000	1.71
12.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	6688	2000	2000	0.41
12.08.2008	AMAR PREMCHAND WALMIKI	HEMANT MADHUSUDAN SHETH	148	12000	148	0.03
12.08.2008	AMAR PREMCHAND WALMIKI	ANKIT RAJENDRA SANCHANIYA	2000	7928	2000	0.41
12.08.2008	HEMANT MADHUSUDAN SHETH	ANKIT RAJENDRA SANCHANIYA	8000	5000	5000	1.04
13.08.2008	AMAR PREMCHAND WALMIKI	KISHORBHAI BALUBHAI CHAUHAN	1	1	1	0.00
13.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	101	375	101	0.03
13.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	643	2253	643	0.16
14.08.2008	BHAVESH PRAKASH PABARI	ANKIT RAJENDRA SANCHANIYA	4000	17800	4000	1.20
14.08.2008	PREM MOHANLAL PARIKH	ANKIT RAJENDRA SANCHANIYA	2000	17800	2000	0.60
18.08.2008	SAMIR SURESHCHANDRA SHAH	RAMESHBHAI VITTHALBHAI PARMAR	2150	2500	2150	0.77
18.08.2008	SAMIRKUMAR KANUBHAI PATEL	RAMESHBHAI VITTHALBHAI PARMAR	2500	2010	2010	0.72
19.08.2008	JASHBHAI PATEL PRADEEPKUMAR	PANNA DILIPSINH BAROT	2000	3000	2000	1.63
19.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	6	5	5	0.00

20.08.2008	AMAR PREMCHAND WALMIKI	HIMAT PARSHOTTAMBH AI JATANIA	2776	23950	2776	0.52
20.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	53510	95000	53510	10.08
20.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	9500	999	999	0.19
20.08.2008	AMAR PREMCHAND WALMIKI	PANNA DILIPSINH BAROT	3025	1857	1857	0.35
20.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	20000	20000	20000	3.77
21.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	15315	73940	15315	2.81
21.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	5252	100	100	0.02
21.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	11000	10000	10000	1.83
21.08.2008	CHIRAG BIPIN THAKKAR	ANKIT RAJENDRA SANCHANIYA	1789	2500	1789	0.33
22.08.2008	AMAR PREMCHAND WALMIKI	NAVANEETLAL JEEVANLAL GANDHI	360	329	329	0.08
22.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	79000	13831	13831	3.40
22.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	1270	932	932	0.23
22.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	1000	10	10	0.00
22.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	10000	15000	10000	2.45
25.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	15000	73986	15000	3.05
25.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	2227	1388	1388	0.28
25.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	785	20	20	0.00

25.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	15000	15000	15000	3.05
25.08.2008	AMAR PREMCHAND WALMIKI	RAMESHBHAI VITTHALBHAI PARMAR	623	1000	623	0.13
26.08.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	64401	60690	60690	10.73
26.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	920	948	920	0.16
26.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	500	145	145	0.03
26.08.2008	AMAR PREMCHAND WALMIKI	RAMESHBHAI VITTHALBHAI PARMAR	938	1636	938	0.17
26.08.2008	AMAR PREMCHAND WALMIKI	ANKIT RAJENDRA SANCHANIYA	5399	5635	5399	0.95
26.08.2008	ASHOKKUMAR BHIKHALAL PARMAR	RAMESHBHAI VITTHALBHAI PARMAR	2850	2500	2500	0.44
27.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	740	5	5	0.00
27.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	1610	1190	1190	0.38
27.08.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	4793	8800	4793	1.51
27.08.2008	AMAR PREMCHAND WALMIKI	ANKIT RAJENDRA SANCHANIYA	1690	313	313	0.10
28.08.2008	AMAR PREMCHAND WALMIKI	SAMIR SURESHCHANDRA SHAH	10784	1433	1433	0.26
28.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	800	800	800	0.14
28.08.2008	PANNA DILIPSINH BAROT	RAMESHBHAI VITTHALBHAI PARMAR	100	5200	100	0.02
29.08.2008	AMAR PREMCHAND WALMIKI	ANAND KALU MARATHE	100	100	100	0.02
01.09.2008	BENKO TRADING PRIVATE LIMITED	AMAR PREMCHAND WALMIKI	19050	17000	17000	5.15

02.09.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	70500	40865	40865	4.50
02.09.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	2000	10000	2000	0.22
02.09.2008	AMAR PREMCHAND WALMIKI	HEMANT MADHUSUDAN SHETH	2679	58324	2679	0.30
02.09.2008	AMAR PREMCHAND WALMIKI	ANKIT RAJENDRA SANCHANIYA	2774	28800	2774	0.31
04.09.2008	BENKO TRADING PRIVATE LIMITED	AMAR PREMCHAND WALMIKI	20608	7386	7386	1.331
04.09.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	44700	99350	44700	8.058
04.09.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	10000	11999	10000	1.803
04.09.2008	NAVANEETLAL JEEVANLAL GANDHI	RAMESHBHAI VITTHALBHAI PARMAR	11	3000	11	0.002
05.09.2008	AMAR PREMCHAND WALMIKI	DEVENDRA SURESH GUPTA	12000	11905	11905	4.543
05.09.2008	AMAR PREMCHAND WALMIKI	RAMESHBHAI VITTHALBHAI PARMAR	2145	537	537	0.205
08.09.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	64986	69821	64986	14.034
09.09.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	69596	79198	69596	16.756
09.09.2008	AMAR PREMCHAND WALMIKI	RAMESHBHAI VITTHALBHAI PARMAR	1966	4001	1966	0.473
10.09.2008	AMAR PREMCHAND WALMIKI	YESHWANTI UDHAMANU ANJA	75109	110000	75109	10.111
11.09.2008	BHAVESH PRAKASH PABARI	ANKIT RAJENDRA SANCHANIYA	49500	49800	49500	12.035

Self-Trades:

82. From the analysis of trade and order log for the IP it is observed that 7 group entities entered into self-trades i.e. the buyer and seller of the trade is the same entity.

83. Further, as seven group entities had executed self-trades, entities who had executed self-trade for more than 50,000 shares and had executed self-trade five days or more were shortlisted. It is noted that three entities had indulged in self-trades for more than four days and executed self-trades for more than 50,000 shares. The details are given below:

Sl. No.	Entity	Total			
		Self Trade Qty.	No. of Self Trades	No of Days	Value of Self Trades
1	Hemant Madhusudan Sheth	1,50,817	17	5	4,20,04,558
2	Ankit Rajendra Sanchaniya	1,30,009	33	9	3,61,24,254
3	Amar Premchand Walmiki	80,074	20	14	2,43,25,445

84. It is noted that the entities mentioned above viz., Noticee 2(Hemant Madhusudan Sheth), Noticee 1(Ankit Rajendra Sanchaniya) and Noticee 3(Amar Premchand Walmiki) entered into significant quantity of self trades repeatedly to create artificial volume in the scrip leading to false and misleading appearance of trading in the scrip without intention of change of ownership of shares and thereby Noticee 1-3 violated the provisions of Regulations 3(a),(b), (c), (d), 4(1), 4(2) (a),(b), (e) and (g) of PFUTP regulations, 2003.

85. The details of self-trades by brokers with regard to aforesaid three entities where buy and sell orders were placed through same brokers are as under:

Entity Name	Broker on both sides	Total Self Trade Volume	Total self trade count	No of days on which self trades executed	Self Trade Volume from same terminal	Self Trade Count from same terminal

Amar Premchand Walmiki	Ami Stock and Share Brokers Pvt. Ltd.	30,410	18	13	30,410	18
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86.I note that following self-trades were executed by Amar Premchand Walmiki through Ami Stock and Share Brokers Pvt Ltd.

Date of Transactions	No of shares	Rate	Value of shares
05/08/2008	76	270.6	20540.4
07/08/2008	4,850	300	1455000
08/08/2008	1,695	297	503415
20/08/2008	201	271.11	54505
25/08/2008	110	274.85	30233.5
28/08/2008	100	294.8	29480
29/08/2008	161	303.43	15121855.3
01/09/2008	500	303	151500
02/09/2008	17,848	312.37	5583708.5
04/09/2008	4,210	309	1300890
05/09/2008	1	303.8	303.8
09/09/2008	57	275.2	15686.4
08/10/2008	601	97.05	58327.05
	30,410		

87.From the above table, it is seen that Noticee 17 (Ami Stock and Share Brokers Pvt. Ltd.) acted as broker and counterparty broker for self-trades executed by Noticee 3(Amar Premchand Walmiki) which were executed from the same terminal on 13 days. Ami Stock Broker, vide its letter dated March 26, 2008 analysed the orders placed which resulted in self-trades and submitted that none of them were structured in terms of volume, price and timing. Further, they also submitted that the contribution of such self-trades to total volumes on such trading dates is less than miniscule (less than 1 %) and did not contribute to any price impact. I am inclined to accept their submission and take lenient view of their failure to generate alerts for self-trades and conclude that charge of violation of provision

of Clause A(2) of the Code of Conduct for stock brokers under Schedule II r/w Regulation 7 of Stock Brokers Regulations does not stand established.

LTP Analysis:

88. It is observed that the price of the scrip opened at ₹265.40 on August 01, 2008 and touched period high of ₹315.00. Subsequently, on September 04, 2008, the price of the scrip opened at ₹ 307.05 and touched period low of ₹17.55 on December 01, 2008 and closed at ₹31.15 on December 31, 2008. In view of above, LTP analysis was carried out in two patches i.e. period between August 01, 2008 and September 02, 2008, referred to as patch-I and period between September 04, 2008 and December 31, 2008, referred to as patch-II.

Patch-I:

On analysing trades executed at a price higher than the last traded price (LTP) it was observed that during patch-I the market wide cumulative contribution to the positive and net LTP variation (LTPV) was ₹1907.10 and ₹.44.60 respectively of which ₹1,055.55 and ₹.641.20 respectively was contributed by the group as the buyer. The entity-wise contribution to LTP is summarized as under:

Patch- I	All Trades			Trades above LTP			Trades below LTP			Trades at LTP		% of positive LTP to Total Mkt positive LTP
Client Name	Net LTP	QTY traded	No of trades	LTP imp act	QTY traded	No of Trades	LTP imp act	QTY traded	No of trades	QTY traded	No of trades	
Amar Premchand Walmiki	514.05	28,51,522	5,151	717.70	13,34,076	1,741	(203.65)	2,59,718	589	12,57,728	2,821	37.63
Anand Kalu Marathe	8.75	29,054	239	51.85	6,259	67	(43.10)	7,385	76	15,410	96	2.72
Ankit Rajendra Sanchaniya	23.75	5,04,376	230	38.15	1,69,109	63	(14.40)	84,717	44	2,50,550	123	2.00
Samir Sureshchandra Shah	24.00	1,00,361	1,760	37.75	22,277	79	(13.75)	26,244	47	51,840	1,634	1.98

Patch- I	All Trades			Trades above LTP			Trades below LTP			Trades at LTP		% of positive LTP to Total Mkt positive LTP
Client Name	Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of Trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Rameshbhai Vitthalbhai Parmar	18.80	2,00,258	1,626	36.55	50,311	84	(17.75)	45,137	56	1,04,810	1,486	1.92
Spectrum Chemicals Pvt. Ltd.	12.00	1,81,036	267	27.70	68,207	87	(15.70)	34,083	59	78,746	121	1.45
Yeshwanti Udhamanuja Anja	12.05	9,32,500	841	26.35	2,04,940	76	(14.30)	2,66,786	41	4,60,774	724	1.38
Hemant Madhusudan Sheth	14.25	6,48,500	134	22.15	1,49,361	40	(7.90)	1,15,937	17	3,83,202	77	1.16
Ashokkumar Bhikhalal Parmar	7.35	70,697	64	12.80	28,716	23	(5.45)	30,559	21	11,422	20	0.67
Samirkumar Kanubhai Patel	3.75	38,165	62	10.30	21,667	35	(6.55)	12,357	16	4,141	11	0.54
Tushar Rameshbhai Patel	8.25	1,08,300	23	8.65	22,991	10	(0.40)	108	1	85,201	12	0.45
Himat Parshottambhai Jatania	6.25	3,20,000	73	8.30	66,315	15	(2.05)	67,547	6	1,86,138	52	0.44
Kanubhai Patel Hetal	0.85	17,064	35	6.85	4,846	16	(6.00)	9,313	12	2,905	7	0.36
Panna Dilipsinh Barot	(9.40)	71,086	582	6.50	10,003	17	(15.90)	21,590	31	39,493	534	0.34
Kishorbhai Balubhai Chauhan	(0.70)	1,52,803	28	6.25	17,103	7	(6.95)	27,501	6	1,08,199	15	0.33
Amisha Samir Patel	(1.15)	52,230	58	5.65	10,097	20	(6.80)	37,269	29	4,864	9	0.30
Navaneetlal Jeevanlal Gandhi	1.80	18,942	1,254	4.90	904	16	(3.10)	7,091	16	10,947	1,222	0.26
Nareshbhai D Patel	2.30	23,000	29	4.75	13,200	19	(2.45)	6,575	8	3,225	2	0.25
Jashbhai Patel Pradeepkumar	(2.55)	23,555	37	3.50	5,281	13	(6.05)	14,760	17	3,514	7	0.18

Patch- I	All Trades			Trades above LTP			Trades below LTP			Trades at LTP		% of positive LTP to Total Mkt positive LTP
Client Name	Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of Trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Chirag Bipin Thakkar	1.60	29,239	852	3.35	3,729	9	(1.75)	4,718	14	20,792	829	0.18
Shital Samir Shah	(4.80)	33,641	48	3.30	8,728	7	(8.10)	7,287	12	17,626	29	0.17
Bhavesh Prakash Pabari	(0.70)	1,51,800	31	2.55	26,725	8	(3.25)	20,854	6	1,04,221	17	0.13
Devendra Suresh Gupta	0.70	1,33,000	260	2.10	18,951	9	(1.40)	20,437	5	93,612	246	0.11
Vipul Hiralal Shah	0.90	37,000	4	1.85	19,000	2	(0.95)	13,000	1	5,000	1	0.10
Jignesh Chandrakant Shah	1.00	14,476	26	1.40	6,107	5	(0.40)	750	2	7,619	19	0.07
Benko Trading Pvt Ltd	(0.30)	1,32,000	16	1.30	8,600	6	(1.60)	62,673	4	60,727	6	0.07
Prem Mohanlal Parikh	0.50	57,800	14	1.25	33,495	7	(0.75)	2,505	3	21,800	4	0.07
Mala Hemant Sheth	1.00	20,000	5	1.00	4,000	1	-	-	-	16,000	4	0.05
Yesha Shashikant Shah	(3.10)	14,000	16	0.80	3,350	5	(3.90)	5,549	4	5,101	7	0.04
Group Total	641.20	69,66,405	13,765	1,055.55	23,38,348	2,487	(414.35)	12,12,450	1,143	34,15,607	10,135	55.35
Grand Total	44.60	95,93,177	21,275	1,907.10	27,53,628	4,155	(1,862.50)	19,65,601	3,361	48,73,948	13,759	100.00

89. From the above table, it was noted that out of total 13,765 trades of the group in patch-I, 10,315 trades were at LTP and did not create any price variation. Total market LTPV during patch-I was ₹1,907.10 and group entities contributed ₹1055.55. Since, the group entities contributed 55.35% to positive market LTPV in

2,487 trades, these orders were further analysed. The analysis revealed that out of total positive LTP contribution of ₹1,907.10, the group entities created a positive LTPV of ₹46.15 (i.e. 2.42% of market positive LTP) by entering buy order first in 120 trades where counterparties were non group entities. The LTPV of ₹804.35 (i.e. 42.17%) was created by group entities wherein sell orders were placed first in 1,839 trades by 489 non-group entities who were scattered and unconnected. Further, a positive LTPV of ₹ 205.15 i.e. 10.76% of market positive LTPV was created in 528 trades by 30 group entities when they traded among themselves.

90. It is observed that 14 group entities contributed positive LTPV of ₹152.10 (i.e. 74.14% of group's positive LTP contribution through trading among themselves) and 8% of the market positive LTPV in 383 trades. The summary of all trades of 14 group entities which contributed positive LTPV by trading among themselves is given below:

Buyer↓	Seller														Total LTPV as buyer (No. of trades)
	Amar Premchand Walmiki	Rameshbhai Vitthalbhai Parmar	Anand Kalu Marathe	Ankit Rajendra Sanchaniya	Samir Sureshchandra Shah	Yeshwanti Udhamanu Anja	Samirkumar Kanubhai Patel	Hemant Madhusudan Sheth	Ashokkumar Bhikhalal Parmar	Panna Dilipsinh Barot	Amisha Samir Patel	Kanubhai Patel Hetal	Devendra Suresh Gupta	Tushar Rameshbhai Patel	
Amar Premchand Walmiki	1.20 (8)	4.70 (9)	3.35 (18)	13.75 (26)	8.90 (31)	11.60 (50)	-	0.20 (2)	-	4.95 (15)	0.70 (1)	0.10 (1)	4.75 (11)	6.50 (17)	60.70 (189)

Rameshbhai Viththalbhai Parmar	0.60 (1)	-	1.30 (6)	-	0.95 (2)	-	4.65 (5)	-	6.40 (13)	3.90 (6)	4.85 (7)	-	1.00 (2)	-	23.65 (42)
Anand Kalu Marathe	13.55 (18)	0.20 (1)	-	6.05 (4)	0.15 (2)	-	-	-	-	-	0.55 (1)	-	-	-	20.50 (26)
Ankit Rajendra Sanchaniya	1.00 (4)	0.80 (1)	0.30 (2)	5.05 (6)	-	-	-	5.50 (7)	-	-	-	-	-	-	12.65 (20)
Samir Sureshchand ra Shah	6.90 (11)	1.50 (6)	0.30 (1)	0.95 (1)	-	0.35 (1)	-	-	-	-	-	-	-	0.10 (1)	10.10 (21)
Yeshwanti Udhamanu Anja	5.20 (19)	-	-	0.15 (3)	0.25 (1)	-	-	-	1.00 (1)	-	-	-	0.15 (2)	0.15 (2)	6.90 (28)
Samirkumar Kanubhai Patel	-	1.90 (3)	0.15 (2)	-	0.25 (2)	-	-	-	-	0.50 (2)	-	2.10 (4)	-	-	4.90 (13)
Hemant Madhusuda n Sheth	-	-	-	4.05 (8)	0.10 (1)	-	-	0.40 (4)	-	-	-	-	-	-	4.55 (13)
Ashokkuma r Bhikhalal Parmar	-	0.85 (3)	0.75 (3)	-	1.10 (4)	-	-	-	-	0.45 (2)	-	0.20 (1)	-	-	3.35 (13)
Panna Dilipsinh Barot	0.65 (2)	0.80 (2)	-	-	-	-	-	-	-	-	0.60 (2)	-	-	-	2.05 (6)
Amisha Samir Patel	-	0.25 (2)	0.30 (1)	-	-	-	-	-	-	0.45 (2)	-	0.35 (2)	-	-	1.35 (7)
Kanubhai Patel Hetal	-	-	0.75 (1)	-	-	-	-	-	-	-	-	-	-	-	0.75 (1)
Devendra Suresh Gupta	0.05 (1)	-	-	0.50 (1)	-	-	-	-	-	-	-	-	-	-	0.55 (2)
Tushar Rameshbhai Patel	0.10 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10 (2)
Total LTPV as seller (No. of trades)	29.25 (66)	11.00 (27)	7.20 (34)	30.50 (49)	11.70 (43)	11.95 (51)	4.65 (5)	6.10 (13)	7.40 (14)	10.25 (27)	6.70 (11)	2.75 (8)	5.90 (15)	6.75 (20)	152.10 (383)

91. It was noted from the above table that Noticee 3(Amar Premchand Walmiki) contributed positive LTPV of ₹ 89.95 (₹60.70 as buyer and ₹29.25 as seller), Noticee 5 (Rameshbhai Vitthalbhai Parmar) contributed positive LTPV of ₹ 34.65 (Rs 23.65 as buyer and ₹11.00 as seller), Noticee 11(Anand Kalu Marathe) contributed positive LTPV of ₹27.70 (₹20.50 as buyer and ₹7.20 as seller), Noticee1 (Ankit Rajendra Sanchaniya) contributed positive LTPV of ₹43.15 (₹12.65 as buyer and ₹30.50 as seller), Noticee 8 (Samir Sureshchandra Shah) contributed positive LTPV of ₹21.80 (₹10.10 as buyer and ₹11.70 as seller), Noticee 4 (Yeshwanti Udhamanu Anja) contributed positive LTPV of ₹18.85(₹6.90 as buyer and Rs 11.95 as seller), Noticee 9(Samirkumar Kanubhai Patel) contributed positive LTPV of ₹9.55 (₹4.90 as buyer and ₹4.65 as seller), Noticee 2(Hemant Madhusudan Sheth) contributed positive LTPV of ₹10.65(₹4.55 as buyer and ₹6.10 as seller), Noticee 6 (Ashokkumar Bhikhalal Parmar) contributed positive LTPV of ₹10.75 (₹3.35 as buyer and ₹7.40 as seller), Noticee 7 (Panna Dilipsinh Barot) contributed positive LTPV of ₹12.30 (₹2.05 as buyer and ₹10.25 as seller), Noticee 12 (Amisha Samir Patel) contributed positive LTPV of ₹8.05 (₹1.35 as buyer and ₹6.70 as seller), Noticee 14 (Kanubhai Patel Hetal) contributed positive LTPV of ₹3.50 (₹0.75 as buyer and ₹2.75 as seller), Noticee 13(Devendra Suresh Gupta) contributed positive LTPV of ₹6.45 (₹0.55 as buyer and ₹5.90 as seller) and Noticee 10 (Tushar Rameshbhai Patel) contributed positive LTPV of ₹6.85 (₹0.10 as buyer and ₹6.75 as seller).

92. In view of above it is noted that these 14 entities contributed significant amount of ₹152.10 positive LTPV (8 % of market positive LTPV) by trading among themselves and manipulated the price of the scrip. It is therefore I conclude that violation of Regulations 3(a), (b), (c), (d), 4(1), 4(2) (a), (b) (e) & (g) of the PFUTP Regulations, 2003 as against Noticee 1-4 and violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of the PFUTP Regulations, 2003 as against Noticee 5-14 stand established.

93. I note that total connected group entities had altogether purchased 95,90,026 shares and sold 1,04,71,563 shares constituting 47.73% and 52.12% on buy and sell side respectively of the total traded quantity of 2,00,90,685 shares during the IP which is substantial. Further I also note these entities have also entered into synchronised, reversal of trades, self-trades and also contributed to LTP. And I conclude that the consolidated dealings of the connected entities in both off-market and market have facilitated Anil T Jain, Promoter and Managing Director to offload shares in the market at the highest market price and also facilitated in maintain the price of the scrip which enabled to get favourable price for the shares pledged by the promoters.

94. Synchronisation are trades between connected or related parties wherein sale and purchase of securities are matched with each other in terms of price, quantity and time. The Noticees submitted that they were not knowing the counter party of their trades. In this regard, the pattern of the trading especially synchronised trades in illiquid scrip like RFL clearly indicates meeting of mind as the parameters (qty, rate and time) of Orders resulting into synchronised trades match. Such pattern on frequent basis corroborates the connections between the buyer and sellers of such trades. Further, I note that there is not satisfactory explanation regarding their dealings in the scrip in large quantities. I noted from that the time difference between buy and sell orders are either negligible or of a few seconds only.

95. I note from the Order log and trade log that the Noticees during the IP repeatedly, placed orders of synchronized trades which led to creation of artificial volumes in the scrip and would have mislead the general investors into dealing in the scrip. The fact that all Noticees have been net sellers in large quantities establishes that the motive for entering synchronised trades was to create artificial volume to off load their holding. The modus operandi adopted by the Noticees is detrimental to the smooth functioning of the securities market, and hence, deserve to be viewed seriously.

96. 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."

97. In view above, I conclude that Ankit Rajendra Sanchaniya, Hemant Madhusudan Sheth, Amar Premchand Walmiki by creating the misleading appearance in the securities market by executing synchronised trades and self-trades and also being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities have violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) (e) and (g) of PFUTP Regulations, Yeshwanti Udhamanu Anja by creating the misleading appearance in the securities market by executing synchronised trades and also being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities has violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) (e) & (g) of PFUTP Regulations, Rameshbhai Vitthalbhai Parmar, Ashokkumar Bhikhalal Parmar, Panna Dilipsinh Barot, Samir Sureshchandra Shah, Samirkumar Kanubhai Patel, Tushar Rameshbhai Patel, Anand Kalu Marathe, Amisha Samir Patel, Devendra Suresh Gupta, and Kanubhai Patel Hetal being indulged in price manipulation by contributing significant positive LTP variation by trading among group entities have violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations, Kishorbhai Balubhai Chauhan and Bhavesh Prakash Pabari by creating the misleading appearance in the securities market by

executing synchronised trades violated regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (g) of PFUTP Regulations, Anil T. Jain has violated Regulation 13(3) of SEBI(PIT) Regulations, 1992 and regulation 7(1A) of SEBI (SAST) regulations, 1997 by failing to make disclosures for selling shares exceeding 2% of the share capital of the company and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations by making gain by off-loading the shares at the increased price and transferred the shares to group entities which had manipulated the volume and price of the scrip, Chunnilal Jain A and Nisha Rakesh Jain have violated of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations by making gain by off-loading the shares at the increased price and connected to promoter(Sr 18) who had transferred shares to group entities which had manipulated the volume and price of the scrip, Bhupesh Harishchandra Rathod, DNG Mercantile Ltd and Yaminiben Pandya by facilitating the circuitous off-market transfers by receiving shares from promoter and transferring to group entities, which had manipulated the volume and price of the scrip have violated Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of PFUTP Regulations. Therefore, Noticee 1-16 & 19- 23 are liable under Section 15HA of SEBI Act 1992 and Noticee 18 is liable under section 15A(b) & 15HA of SEBI Act 1992 for the alleged violations committed by them (as existed during the period of violation) which reads as under:

Sections 15 A(b) and 15HA SEBI Act 1992 reads as under:

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

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

(a).....

(b)to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty of

one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

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 twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.

98. The Hon'ble Supreme Court of India in the matter of **SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216()** and **(2006) 131 Comp. Cas. 591 (SC)** held that *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant."*

99. While determining the quantum of penalty under and Sections 15HB of SEBI Act, it is important to consider the factors stipulated in Section 15J of SEBI Act and Section 23J of SCRA which reads as under:- 15J Factors to be taken into account by the adjudicating officer: While adjudging quantum of penalty under 15J of SEBI Act and Section 23J of SCRA, 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."

100. It is not possible from the material available on record to ascertain the disproportionate gain or unfair advantage made by the Noticees or the amount of loss caused to an investor or group of investors as a result of the default. I note that, in Appeal No. 66 of 2003 - **Milan Mahendra Securities Pvt. Ltd. Vs SEBI** , the Hon'ble SAT has observed that, "the purpose of these disclosures is to bring

about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market.”

101. In order to adjudge the quantum of penalties, in light of the factors mentioned under 15 J of the SEBI Act 1992, I have analysed the trade and order log to quantify the gains made by the Noticees, pursuant to the scheme of manipulated trading executed by them with the intention to create artificial volume by attracting gullible investors and thereby offloading their shares to make substantial ill-gotten gains. The details of profit and loss made by Noticees have been arrived at by taking total buy and sell quantity along with average buy and sell rate which is mentioned as under. The details of the total buy and sell quantity and corresponding net sell quantity during the IP is mentioned in the table below.

TABLE A

Sl No	Name of Noticee	Buy Qty	Avg Buy Rate	Sell Qty	Avg Sell Rate	Net Rate	Profit / Loss (-)
1	Amar Premchand Walmiki	3997873	270.06	3997873	270.54	0.48	19,18,979.04
2	Yeshwanti Udhamanu Anja	1294500	284.49	1294500	260.25	-24.24	-3,13,78,680.00
3	Hemant Madhusudan Sheth	798265	280.4	798265	191.1	-89.3	-7,12,85,064.50
4	Ankit Rajendra Sanchaniya	608588	279.78	608588	271.13	-8.65	-52,64,286.19
5	Bhavesht Prakash Pabari	245300	274.65	245300	195.19	-79.46	-1,94,91,538.00
6	Tushar Rameshbhai Patel	233097	268.47	233097	197.92	-70.55	-1,64,44,993.35
7	Rameshbhai Vitthalbhai Parmar	229370	277.67	229370	199.11	-78.56	-1,80,19,307.20
8	Devendra Suresh Gupta	182000	263.95	182000	256.85	-7.1	-12,92,199.99
9	Samir Sureshchandra Shah	160633	240.93	160633	216.35	-24.58	-39,48,359.14
10	Kishorbhai Balubhai Chauhan	152803	282.38	152803	245.73	-36.65	-56,00,229.95
11	Ashokkumar Bhikhalal Parmar	72197	280.54	72,197	280.19	-0.35	-25,268.95
12	Panna Dilipsinh Barot	71686	278.39	71,686	267.07	-11.32	-8,11,485.52
13	Amisha Samir Patel	52230	278.21	52,230	276.77	-1.44	-75,211.20
14	Samirkumar Kanubhai Patel	39665	277.72	39,665	276.37	-1.35	-53,547.75

15	Anand Kalu Marathe	30701	275.93	30,701	265.23	-10.7	-328,500.70
16	Kanubhai Patel Hetal	17064	268.08	17,064	268.44	0.36	6,143.04
17	Anil T Jain	82510	26.81	82510	287.44	260.63	2,15,04,581.30
18	Chunnilal Jain	2600	127.07	2,600	287.4	160.33	4,16,858.00
19	Nisha Rakesh Jain	8200	110.16	8,200	255.55	145.39	11,92,198.00
							-14,89,79,913

TABLE B

SI No	Name of Noticee	Total Buy Qty	Total Sell Qty	Net Qty	Avg Sell Rate	Net Sell Value
1	Ankit Rajendra Sanchaniya	608588	669988	61400	271.13	1,66,47,382
2	Hemant Madhusudan Sheth	798265	1201462	403197	191.1	7,70,50,946.7
3	Amar Premchand Walmiki	4047927	3997873	-50054	270.54	-1,35,41,609.2
4	Yeshwanti Udhamanu Anja	1294500	1342359	47859	260.25	1,24,55,304.75
5	Rameshbhai Vitthalbhai Parmar	229370	322277	92907	199.11	1,84,98,712.77
6	Ashokkumar Bhikhalal Parmar	72,197	73,374	1177	280.19	3,29,783.63
7	Panna Dilipsinh Barot	71,686	77,043	5357	267.07	14,30,693.99
8	Samir Sureshchandra Shah	160633	191155	30522	216.35	66,03,434.7
9	Samirkumar Kanubhai Patel	39,665	40,165	500	276.37	1,38,185
10	Tushar Rameshbhai Patel	233300	233097	-203	197.92	-40,177.76
11	Anand Kalu Marathe	30,701	31,781	1080	265.23	2,86,448.4
12	Amisha Samir Patel	52,230	52,430	200	276.77	55,354
13	Devendra Suresh Gupta	182000	182000	0	256.85	0
14	Kanubhai Patel Hetal	17,064	17,064	0	0.36	0
15	Kishorbhai Balubhai Chauhan	152803	173803	21000	245.73	51,60,330
16	Bhavesbhai Prakash Pabari	245300	346000	100700	195.19	1,96,55,633
17	Anil T Jain	82510	265672	183162	260.63	4,77,37,512.06
18	Chunnilal Jain	21700	2600	-19100	160.33	-30,62,303
19	Nisha Rakesh Jain	11300	8200	-3100	145.39	-4,50,709
						18,89,54,922

102. Noticee wise Profit and Loss Table is as under:

TABLE C

SI No	Name of Noticee	Profit / Loss (Table A)	Net Sales (Table B)	Total Net Gain / Loss
1	Ankit Rajendra Sanchaniya	-52,64,286.19	1,66,47,382	1,13,83,095.81
2	Hemant Madhusudan Sheth	-7,12,85,064.50	7,70,50,946.7	57,65,882.2
3	Amar Premchand Walmiki	19,18,979.04	-1,35,41,609.2	-1,16,22,630.16
4	Yeshwanti Udhamanu Anja	-3,13,78,680.00	1,24,55,304.75	-1,89,23,375.25

5	Rameshbhai Vitthalbhai Parmar	-1,80,19,307.20	1,84,98,712.77	4,79,405.57
6	Ashokkumar Bhikhalal Parmar	-25,268.95	3,29,783.63	3,04,514.68
7	Panna Dilipsinh Barot	-8,11,485.52	14,30,693.99	6,19,208.47
8	Samir Sureshchandra Shah	-39,48,359.14	66,03,434.7	26,55,075.56
9	Samirkumar Kanubhai Patel	-53,547.75	1,38,185	84,637.25
10	Tushar Rameshbhai Patel	-1,64,44,993.35	-40,177.76	-1,64,85,171.11
11	Anand Kalu Marathe	-3,28,500.70	2,86,448.4	-42,052.3
12	Amisha Samir Patel	-75,211.20	55,354	-19,857.2
13	Devendra Suresh Gupta	-12,92,199.99	0	-12,92,199.99
14	Kanubhai Patel Hetal	6,143.04	0	6,143.04
15	Kishorbhai Balubhai Chauhan	-56,00,229.95	51,60,330	-4,39,899.95
16	Bhavesbhai Prakash Pabari	-1,94,91,538.00	1,96,55,633	1,64,095
17	Anil T Jain	2,15,04,581.30	4,77,37,512.06	6,92,42,093
18	Chunnilal Jain	4,16,858.00	-30,62,303	-26,45,445
19	Nisha Rakesh Jain	11,92,198.00	-4,50,709	7,41,489
			Total	3,99,75,009

103. From the table, I note that Anil Jain has made the gains of 6, 92, 42,093/- (mentioned in TABLE C) through net sale/gain of shares. Further, I also note that the net gains made by the entire group is Rs 3,99,75,009/- (TABLE- C).

104. I am of the view that promoter and Managing Director of the listed company should demonstrate transparency, fairness in all his dealings especially with respect to dealing of shares in his own company. Any failure in this regard will dent the trust and confidence of the investors and shareholders off the company. From the facts and circumstances in the case mentioned above when seen in the totality the involvement of managing director in the scheme of manipulation mentioned above is apparent. Therefore, I consider it appropriate to impose exemplary penalty so as to restore the confidence and trust of the investors, market and also act as deterrent in future. Further I also note that some of the connected entities have been arranged and encouraged name lending to third person to carry out the scheme of manipulation which poses the great threat to market, if unchecked. Accordingly, such factors have been taken into consideration to impose penalties on such connected entities. And also involvement of the Noticees in synchronized, reversal, self-trade, LTP, wrongful gains made is taken into consideration in imposing the penalties.

ORDER

105. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I of the SEBI Act r/s Rule 5 of Adjudication Rules 1995, I hereby impose a monetary penalties on the Noticees as under:

Sr. No.	Name of the Noticees	Violation of provisions	Penal provisions as per the SEBI Act	Penalty Amount (in ₹)
1	Ankit Rajendra Sanchaniya	Regulations 3(a), (b), (c), (d), 4(1), 4(2) (a), (e) & (g) of SEBI (PFUTP) Regulations, 2003.	15HA of SEBI Act, 1992	10,00,000/- (Rupees Ten Lakh Only)
2	Hemant Madhusudan Sheth			10,00,000/- (Rupees Ten Lakh Only)
3	Amar Premchand Walmiki			10,00,000/- (Rupees Ten Lakh Only)
4	Yeshwanti Udhamanu Anja			10,00,000/- (Rupees Ten Lakh Only)
5	Rameshbhai Vitthalbhai Parmar	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of SEBI (PFUTP) Regulations, 2003.		2,00,000/- (Rupees Two Lakh Only)
6	Ashokkumar Bhikhalal Parmar			2,00,000/- (Rupees Two Lakh Only)
7	Panna Dilipsinh Barot			2,00,000/- (Rupees Two Lakh Only)
8	Samir Sureshchandra Shah			15,00,000/- (Rupees Fifteen Lakh Only)
9	Samirkumar Kanubhai Patel			2,00,000/- (Rupees Two Lakh Only)
10	Tushar Rameshbhai Patel			2,00,000/- (Rupees Two Lakh Only)
11	Anand Kalu Marathe			2,00,000/- (Rupees Two Lakh Only)
12	Amisha Samir Patel			2,00,000/- (Rupees Two Lakh Only)
13	Devendra Suresh Gupta			2,00,000/- (Rupees Two Lakh Only)
14	Kanubhai Patel Hetel			2,00,000/- (Rupees Two Lakh Only)
15	Kishorbhai Balubhai Chauhan	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) & (g)		2,00,000/- (Rupees Two Lakh Only)
16	Bhavesb Prakash Pabari			10,00,000/- (Rupees Ten Lakh Only)

		of SEBI (PFUTP) Regulations, 2003.		
17	Ami Stock and Share Brokers Pvt Ltd	Clause A(2) of the Code of Conduct for stock brokers under Schedule II r/w Regulation 7 of SEBI(Stock Brokers and Sub-Brokers) Regulations, 1992.	15HA of SEBI Act, 1992	Nil
18	Anil T Jain, Promoter & Managing Director of RFL	Regulation 13(3) of SEBI (PIT) Regulations, 1992 and regulation 7(1A) of SEBI (SAST) regulations, 1997. Regulation 11(2) of SEBI (SAST) Regulations, 1997. Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (d) of SEBI (PFUTP) Regulations, 2003	Section 15A(b) and 15HA of SEBI Act, 1992	1,00,00,000/- (Rupees One Crore) to be paid jointly and severally
19	Chunnilal Jain A	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) of SEBI (PFUTP) Regulations, 2003	15HA of SEBI Act, 1992	
20	Nisha Rakesh Jain			
21	Bhupesh Harishchandra Rathod	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) & (d) of SEBI (PFUTP) Regulations, 2003	15HA of SEBI Act, 1992	2,00,000/- (Rupees Two Lakh Only)
22	DNG Mercantile Ltd			2,00,000/- (Rupees Two Lakh Only)
23	Yaminiben Pamdya			2,00,000/- (Rupees Two Lakh Only)
Total				1,91,00,00/- (Rupees One Crore Ninety One Lakh Only)

106. I am of the view that the said penalty would be commensurate with the violations committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors and markets.

107. 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

108. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Deputy General Manager, Enforcement Department, DRA III, SEBI, Mumbai as per the following format.

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for (like penalties/disgorgement/recovery/Settlement amount and legal charges along with order details)	Penalty

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

Date: May 18, 2018

Place: Mumbai

B J DILIP
ADJUDICATING OFFICER