

SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992.

In the matter of P.M. Telelinnks Limited and 8K Miles Software Solutions Limited

In respect of:

Sr. No.	Noticees	PAN
1.	Vijay Babulal Shah	AOMPS1703C
2.	Saurin Pravinbhai Shah	BKYP3545K
3.	Bhavini Vijaykumar Shah	CDAPS8340A
4.	Jipal Pineshkumar Shah	BMWPS2515R
5.	Jagdish Ramanlal Patel	AAWPP0600R
6.	Daivik Jatinbhai Shah	BXYP2715J
7.	Ravi Pukhraj Surana	AINPS9085J
8.	Gulab Chand Pukhraj Surana	AINPS9082R
9.	Dipin Surana	AINPS9083Q
10.	Hema Govindbhai Patel	AQGPP6610B

BACKGROUND:

- Based on a preliminary enquiry, Securities and Exchange Board of India (SEBI) had passed an interim order dated April 18, 2013 (interim order) against *inter alia* Vijay Babulal Shah, Saurin Pravinbhai Shah, Bhavini Vijaykumar Shah, Jipal Pineshkumar Shah, Jagdish Ramanlal Patel, Daivik Jatinbhai Shah, Ravi Pukhraj Surana, Gulab Chand Pukhraj Surana, Dipin Surana and Hema Govindbhai Patel (hereinafter together referred to as ‘the Noticees’) in the matter of P.M. Telelinnks Limited (PMTL) and 8K Miles Software Solutions Limited (8KMiles) for the alleged violation of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (PFUTP

Regulations). Vide the Interim Order, the Noticees were restrained from accessing the securities market and prohibited from buying, selling or dealing in securities market in any manner whatsoever. The said directions against the Noticees were confirmed by order dated December 30, 2013 (Confirmatory Order).

2. Pursuant to an investigation by SEBI in the trading in the scrip of PMTL and 8KMiles to ascertain any violation of the provisions of PFUTP Regulations, SEBI issued a common show cause notice (SCN) dated February 29, 2016 to the Noticees calling upon them to show cause as to why suitable directions under Sections 11B and 11(4) of the SEBI Act, 1992 should not be issued against them for the alleged violations of the provisions of PFUTP Regulations and other SEBI Regulations. The findings of the investigation, as provided in the SCN, are as follows:

Findings with respect to the scrip of PMTL

3. The period of investigation in respect of trading in the scrip of PMTL was taken as August 01, 2011 to September 28, 2012 (period examined in the Interim Order).
4. PMTL was incorporated as a private company on March 05, 1980 and was later converted to a public limited company on November 04, 1992. It was earlier known as Medak Stainless Rolling Pvt. Limited and thereafter changed to Ranka Alloy & Strips Private Limited and later to Surana Strips Private Limited. The business of the company is to manufacture processors, refiners, smelters, markers, moulders, converters, finishers, re-rollers etc. The details of directors of PMTL during the investigation period, as submitted by PMTL is tabulated below:

Name	Designation	Name	Designation
G P Surana	Managing Director	Casula Raj Kumar	Independent Director
Ravi Surana	Director	P. Chandra Mohan Rao	

5. The price volume analysis of trading in the scrip of PMTL during the investigation period is as follows:

Period	Dates		Opening Price/ Volume on first day	Closing Price/ Volume on last day	Low Price/ (Volume)	High Price/ (Volume)	Avg. no. of shares traded daily
Pre Investigation period	01/05/2011-31/07/2011	Price	52.95	38.15	34.10 (26/07/2011)	56.25 (11/05/2010)	58,920
		Vol	31,357	1,98,896	10 (02/06/2011)	469,723 (25/07/2011)	
Investigation Period	01/08/2011-28/09/2012	Price	39.95	35.25	29.65 (18/09/2012)	195.00 (28/04/2012)	1,10,452
		Vol	2,10,539	1,06,718	14 (23/07/2012)	12,60,410 (24/05/2012)	
Post Investigation period	01/10/2012-31/12/2012	Price	35.85	37.30	27.25 (05/12/2012)	40.70 (20/12/2012)	86,466
		Vol	70,805	1,08,942	2,634 (25/10/2012)	4,93,996 (19/12/2012)	

6. The details of the top 10 gross buy clients and gross sell clients during the investigation period is tabulated as below:

Buy Client Name	Sell Total	% of Trd Vol	Sell Client Name	Sell Total	% of Trd Vol
Shah Bhavini Vijaykumar	25,70,104	7.97	Shah Bhavini Vijaykumar	27,07,030	8.39
Shah Jipal Pineshkumar	21,66,298	6.72	Shah Jipal Pineshkumar	20,12,911	6.24
Vijay Babulal Shah	19,38,757	6.01	Vijay Babulal Shah	18,70,040	5.80
Jagdish Ramanlal Patel	16,35,576	5.07	Jagdish Ramanlal Patel	15,93,358	4.94
Saurin Pravinbhai Shah	15,40,282	4.78	Saurin Pravinbhai Shah	14,45,520	4.48
Shaishil T Jhaveri	12,26,642	3.80	Shaishil T Jhaveri	12,26,642	3.80
Shah Daivik Jatin	8,36,143	2.59	Shah Daivik Jatin	8,27,557	2.57
Manish Ratilal Shah	6,61,061	2.05	Manish Ratilal Shah	7,46,124	2.31
Span Tradelink Pvt Ltd	6,58,393	2.04	Span Tradelink Pvt Ltd	6,21,553	1.93
Sharadbhai Ramanbhai Jhaveri	5,06,520	1.57	Sharadbhai Ramanbhai Jhaveri	5,66,805	1.76
Top 10 Buy Clients	1,37,39,776	42.60	Top 10 Sell clients	1,36,17,540	42.22
Remaining Clients	1,85,12,081	57.40	Remaning Clients	1,86,34,317	57.78
Total Traded Volume	3,22,51,857	100.00	Total Traded Volume	3,22,51,857	100.00

7. It was found that the client Bhavini Vijaykumar Shah was the top buyer and seller during the investigation period. The top 10 clients contributed 42.60% and 42.22% of the buy

and sell side respectively during the investigation period. Except the said two buyers and sellers, all entities in the top 10 entities tabulated above are a part of the suspected clients.

8. It was also found that certain suspected entities had traded in the scrip during the investigation period and were found to have been connected to the suspected entities on the basis of Know Your Client (KYC) details and bank transactions as tabulated below:

Sr No	Client Name	Basis of connection
1	Bhavini Vijaykumar Shah (Noticee No. 3)	<ul style="list-style-type: none"> • 1 is 4's spouse • 3-10, 13, 14, and 17 – 21 have common contact number - 9978834974 • 10-27 have common email:jp2724@yahoo.com • 11-34 have common contact number – 9824046454 • Bank transactions between 3 and 35 • 5 entered into bank transactions with 1, 3, 4, 6, 7, 10, 12, 15, 21, 23, 24, 26, 33 and 36 • 3 entered into bank transactions with 1, 5, 7, 12-15, 18-21, 23, 24 and 26 • 37-41 are promoter group entities • 38 and 41 transferred money to 3 and 5 through their firm PM Telecom • Shares transferred in the off-market by 37 to 22 • 2, 3, 8, 9, 13, 14, 22 and 26 have common mobile number 9067421515 • Entities 1-36 are collectively referred to as Ahmedabad Group and entities 37-41 are collectively referred to as Surana Group. Entities 1-41 are collectively referred to as Suspected Entities.
2	Thottathil Puthanpoirayil Saira	
3	Saurin Pravinbhai Shah (Noticee No 2)	
4	Shah Vijay Babulal (Noticee No. 1)	
5	Shah Daivik Jatin (Noticee No. 6)	
6	Span Tradelink Private Limited	
7	Jipal Pineshkumar Shah (Noticee No. 4)	
8	Mona Vimesh Modi	
9	Falguni T Modi	
10	Thakorlal Atmaram Modi	
11	Shah Daxaben Vasantkumar	
12	Chhatrasinh C Yadav	
13	Urmilaben G Patel	
14	Hema Govindbhai Patel (Noticee No. 10)	
15	Umeshbhai Chhatrasinh Yadav	
16	Madhuben Khodabhai Patel	
17	Arvindbhai Khodabhai Patel	
18	Patel Sanjaybhai Narandas	
19	Pankaj Narayandas Patel	
20	Ronak Pankajkumar Patel	
21	Rekhaben Sanjaybhai Patel	
22	Jagdish Ramanlal Patel (Noticee No.5)	
23	Yadav Vishnu Chhattarsingh	
24	Lalitaben Fulabhai Patel	
25	Vikram Govindbhai Patel	
26	Neha Pasand Patel	
27	Sonal Kiritbhai Patel	
28	Jashavantlal Chunilal Patel	
29	Ranjanben Pankaj Patel	
30	Harshida Jashavantlal Patel	
31	Patel Rekhaben P	
32	Nahush Budhabhai Patel	
33	Budhabhai Radhabhai Patel	
34	Manjulaben Arvindbhai Patel	
35	Shaishil Tusharkumar Jhaveri	
36	Vedawala Sangitaben Pareshkumar	
37	Gulab Chand Pukhraj Surana (Noticee No.8)	
38	Dipin Surana (Noticee No. 9)	
39	Meena Surana	
40	Pranali Surana	
41	Ravi Pukhraj Surana (Noticee No.7)	

9. The details of the trading by the above-mentioned entities are as follows:

Name	Gross Buy			Sell		
	Quantity	Value	Avg Rate	Quantity	Value	Avg Rate
Shah Bhavini Vijaykumar	25,70,104	29,49,42,227	114.76	27,07,030	28,95,77,258	106.97
Shah Jipal Pineshkumar	21,66,298	22,12,51,554	102.13	20,12,911	22,69,00,102	112.72
Vijay Babulal Shah	19,38,757	21,91,58,427	113.04	18,70,040	21,34,33,417	114.13
Saurin Pravinbhai Shah	15,40,282	18,59,43,194	120.72	14,45,520	17,44,27,440	120.67
Jagdish Ramanlal Patel	16,35,576	17,77,18,762	108.66	15,93,358	17,01,51,711	106.79
Shaishil Tusharkumar Jhaveri	12,26,642	17,31,26,275	141.14	12,26,642	17,23,16,784	140.48
Shah Daivik Jatin	8,36,143	12,41,11,047	148.43	8,27,557	12,17,26,474	147.09
Span Tradelink Pvt Ltd	6,58,393	9,08,79,988	138.03	6,21,553	8,50,24,738	136.79
Lalitaben Fulabhai Patel	4,17,999	6,03,65,766	144.42	4,23,688	5,83,67,160	137.76
Yadav Vishnu Chhattarsingh	3,93,864	5,21,82,486	132.49	3,78,345	4,84,73,444	128.12
Sonal Kiritbhai Patel	3,47,197	5,04,60,901	145.34	3,20,845	4,78,38,423	149.10
Thaorlal Atmaram Modi	4,94,691	4,51,82,220	91.33	4,86,309	4,01,91,091	82.65
Neha Pasand Patel	2,75,844	4,03,59,481	146.31	2,38,391	3,53,41,722	148.25
Budhabhai Radhabhai Patel	2,54,222	3,92,91,706	154.56	2,55,393	3,64,78,046	142.83
Pankaj Narayandas Patel	2,38,408	3,88,55,288	162.98	1,71,076	2,82,21,224	164.96
Ronak Pankajkumar Patel	1,75,859	2,83,80,425	161.38	1,53,760	2,40,56,352	156.45
Urmilaben G Patel	1,77,848	2,78,85,313	156.79	1,37,146	2,19,09,302	159.75
Patel Hema Govindbhai	1,69,407	2,55,41,951	150.77	1,57,944	2,38,20,494	150.82
Shah Daxaben Vasantkumar	2,18,687	2,04,30,705	93.42	1,86,893	1,70,38,962	91.17
Rekhaben Sanjaybhai Patel	1,03,823	1,17,97,911	113.63	1,54,869	1,82,51,972	117.85
Yadav Umeshbhai Chhatrasinh	70,197	1,13,84,615	162.18	41,811	65,03,973	155.56
Sanjaybhai Narandas Patel	1,12,783	1,12,48,569	99.74	93,058	1,10,05,962	118.27
Yadav Chhatrasinh Cheeranjilal	61,912	1,02,67,590	165.84	58,035	70,50,746	121.49
Nahush Budhabhai Patel	78,599	99,91,283	127.12	1,03,106	1,11,42,774	108.07
Patel Madhuben Khodabhai	58,370	96,82,162	165.88	52,235	87,60,029	167.70
Vedawala Sangitaben Pareshkumar	1,34,781	68,28,029	50.66	47,568	25,20,303	52.98
Mona Vimesh Modi	36,134	57,60,498	159.42	21,648	25,15,698	116.21
Falguni T Modi	36,536	56,93,347	155.83	47,500	38,90,963	81.92
Arvindbhai Khodabhai Patel	34,100	45,88,705	134.57	26,700	21,46,195	80.38
Thottathil Puthanpoirayil Saira	22,707	33,35,440	146.89	10,000	14,45,000	144.50

Name	Gross Buy			Sell		
	Quantity	Value	Avg Rate	Quantity	Value	Avg Rate
Manjulaben Arvindbhai Patel	24,127	29,86,296	123.77	16,250	5,30,563	32.65
Ranjanben Pankajbhai Patel	25,200	14,08,659	55.90	25,200	15,90,490	63.11
Rekhaben Pareshkumar Patel	6,686	11,07,753	165.68	24,000	20,18,000	84.08
Harshida Jashavantilal Patel	4,065	6,86,791	168.95	16,900	12,44,030	73.61
Vikram Govindbhai Patel	5,600	4,03,000	71.96	7,670	5,11,210	66.65
Jashavantilal Chunilal Patel	1,691	2,65,013	156.72	15,510	13,79,027	88.91
Subtotal – Ahmedabad Group	1,65,53,532	2,01,35,03,376	121.64	1,59,76,461	1,91,78,01,076	120.04
Gulab Chand Pukhraj Surana	15	1,477	98.45	15	1,475	98.35
Pranali Surana	12	1,200	100.00	1,10,012	37,51,604	34.10
Dipin Surana	-	-	-	47,000	21,71,011	46.19
Meena Surana	-	-	-	46,000	20,12,270	43.74
Subtotal – Surana	27	2,677	99.14	2,03,027	79,36,360	39.09
Total – Suspected entites	1,65,53,559	2,01,35,06,053	121.64	1,61,79,488	1,92,57,37,436	119.02

10. From the table above, it was observed that the Ahmedabad Group had bought 1,65,53,532 shares (51.33% of market volume) and sold 1,59,76,461 shares (49.54% of market volume) and the Surana Group sold 2,03,000 shares (on net basis) which constitutes 0.63% of market volume.
11. It was found that the entities of Ahmedabad group, including Noticee Nos.1 to 5, had executed self-trades of 2,09,186 shares (contributing -8.65 to net LTP) during the investigation period (i.e., August 01, 2011 to September 28, 2012) i.e., trades wherein the same client appeared on both buy and sell side of the trades. Details of self-trades by entities who had repeatedly executed self-trades (quantity of more than 10,000 shares, more than 5 count of trades executed for two or more days) are tabulated below:

Entity Name	Total Self Trade Volume	Total Self Trade Count	Self-Trade count from same Terminal	No of days on which self trades done	% Of Self Traded Qty. To Market Vol.	LTP Difference
Shaishil T Jhaveri	64,107	8	6	7	0.20%	-0.85
Jagdish Ramanlal Patel	36,193	70	3	18	0.11%	-3.75
Vijay Babulal Shah	31,363	50	3	27	0.10%	5.75
Shah Bhavini Vijaykumar	30,358	72	5	18	0.09%	-3.85
Saurin Pravinbhai Shah	15,657	22	1	11	0.05%	0.4
Shah Jipal Pineshkumar	10,496	46	1	14	0.03%	-3.1
Grand Total	1,88,174	268	19	77	0.58%	-5.00

12. It was also found that the these two groups carried out synchronized trades which are detailed below:

Group	Gross Buy Qty of Suspected Entities	Gross Sell Qty of Suspected Entities	Gross Total	Total Traded Qty among the suspected entities	Sync Traded Qty by suspected entities	Sync Trades as % of total traded Qty among the suspected entities	Sync Trades as % of total market volume	Sum of LTP by sync trades	Sum of NHP* by Sync Trades
Ahmedabad	1,65,53,532	1,59,76,461	3,25,29,993	93,94,126	45,67,384	48.62	14.16	-93.35	15
Surana	27	2,03,027	2,03,054	-	-	-	-	-	-
Suspected	1,65,53,559	1,61,79,488	3,27,33,047	94,96,596	45,67,384	48.09	14.16	-93.35	15

*NHP: New High Price

13. The investigation revealed that the total synchronized trades (where the buy and sell order quantities and rates were identical and orders for these transactions were placed within time gap of up to one minute) by the suspected entities as a group - involving 35 clients and 352 client pairs during the investigation period was 14.16% of total market volume. The highest volume contribution by synchronized trades by a client pair was less than 0.80% and therefore entities whose buy and sell quantity in all synchronized trades amongst the suspected entities exceeds 2% of the market volume were shortlisted. There were five such entities, which were Noticees No. 1 to 5 and details of their trading amongst themselves have been tabulated below:

Gross Buy Qty	Gross Sell Qty	Gross Total	Total Traded Qty among the entities	Sync Traded Qty	Sync Trades as % of total traded Qty amongst the entities	Sync Trades as % of total market volume	Sum of LTP by sync trades	Sum of NHP by Sync Trades
98,51,017	96,28,859	1,94,79,876	33,45,932	15,62,625	46.70	4.85	15.50	7.30

14. It is alleged on the basis of the above that Noticees No. 1 to 5 have entered into 1,040 synchronised trades on 163 days resulting in artificial volume and price rise.
15. During the period of investigation, the price of scrip moved from ₹ 39.95 to ₹ 195.00 (₹155.05 or 388.11% increase) through first trades as well as intra-day price movements. Details of the Ahmedabad Group entities that have dealt in the scrip and contributed to the new high price during the investigation period are tabulated below:

Name	NHP	NHP% to market NHP	No. of trades	Quantity
Jipal Pineshkumar Shah	25.55	16.48%	30	2,389
Shah Vijay Babulal	22.05	14.22%	46	29,878
Jagdish Ramanlal Patel	17.50	11.29%	23	7,611
Shah Daivik Jatin	15.85	10.22%	12	6,738
Saurin Pravinbhai Shah	13.70	8.84%	46	10,318
Nahush Budhabhai Patel	4.80	3.10%	3	30
Lalitaben Fulabhai Patel	2.85	1.84%	1	10
Bhavini Vijaykumar Shah	2.05	1.32%	13	1,296
Sub-total – Ahmedabad group	104.35	67.30%	174	58,270
Other entities	50.70	32.70%	71	35,404
Total	155.05	100.00%	245	93,674

16. Of the 245 trades establishing New High Price (hereinafter referred to as ‘NHP’) during the investigation period, Ahmedabad Group was buyer to 174 trades contributing ₹ 104.35 (i.e., 67.30% of total NHP during the relevant period) to NHP. Since Mr. Jipal Pineshkumar Shah, Mr. Shah Vijay Babulal, Mr. Jagdish Ramanlal Patel, Mr. Shah Daivik Jatin and Mr. Saurin Pravinbhai Shah have repeatedly established NHP, these five entities have allegedly contributed to artificial price rise.
17. Last traded price (LTP) analysis was carried out for the entire investigation period. The details of trades by suspected entities and their trades that resulted in influencing the LTP during the investigation period are tabulated below:

(LTP in amount ₹)

Name	All trades			LTP Diff. >0				LTP Diff. < 0			LTP Diff. =0	
	LTP impact	Trade Qty	No of trades	LTP impact	% to Mkt +ve	Trade Qty	No of trades	ve LTP impact	Trade Qty	No of trades	Trade Qty	No of trades
Saurin Pravinbhai Shah	1,098.90	15,40,282	7,826	2,147.70	16.45	2,78,864	2,722	1,048.80	8,74,085	2,026	3,87,333	3,078
Shah Bhavini Vijaykumar	776.20	25,70,104	6,289	1,371.30	10.50	6,01,484	2,032	595.10	12,08,265	1,391	7,60,355	2,866
Vijay Babulal Shah	726.15	19,38,757	6,749	1,503.75	11.52	4,36,140	2,229	777.60	8,73,390	1,703	6,29,227	2,817
Jagdish Ramanlal Patel	545.35	16,35,576	4,361	1,095.00	8.39	4,36,648	1,403	549.65	7,09,784	1,058	4,89,144	1,900
Shah Daivik Jatin	492.75	8,36,143	3,029	894.20	6.85	1,37,170	1,141	401.45	4,15,906	919	2,83,067	969
Shah Jipal Pineshkumar	477.85	21,66,298	5,478	1,037.40	7.94	4,29,644	1,583	559.55	10,07,152	1,205	7,29,502	2,690
Span Tradelink Private Limited	135.40	6,58,393	1,143	274.05	2.10	1,44,806	374	138.65	3,79,354	291	1,34,233	478
Shah Daxaben Vasantkumar	90.05	2,18,687	807	177.45	1.36	22,302	312	87.40	1,09,928	228	86,457	267
Budhabhai Radhabhai Patel	68.35	2,54,222	707	129.55	0.99	68,721	260	61.20	1,44,385	116	41,116	331
Nahush Budhabhai Patel	38.25	78,599	202	53.85	0.41	6,324	87	15.60	56,547	67	15,728	48
Urmilaben G Patel	37.80	1,77,848	384	67.50	0.52	30,270	166	29.70	1,11,340	82	36,238	136
Yadav Vishnu Chhattarsingh	36.40	3,93,864	1,130	114.65	0.88	65,215	259	78.25	1,62,546	312	1,66,103	559
Lalitaben Fulabhai Patel	34.45	4,17,999	776	119.40	0.91	82,421	199	84.95	2,70,013	219	65,565	358
Patel Hema Govindbhai	34.45	1,69,407	825	67.85	0.52	40,775	148	33.40	1,05,386	129	23,246	548
Vedawala Sangitaben Pareshkumar	34.05	1,34,781	645	60.60	0.46	4,743	118	26.55	14,687	122	1,15,351	405
Sonal Kiritbhai Patel	25.90	3,47,197	520	75.80	0.58	68,729	155	49.90	1,99,233	149	79,235	216
Yadav Umeshbhai Chhatrasinh	16.25	70,197	46	20.25	0.16	34,297	16	4.00	19,549	11	16,351	19
Pankaj Narayandas Patel	11.85	2,38,408	172	46.15	0.35	64,894	54	34.30	1,49,583	68	23,931	50
Patel Madhuben Khodabhai	4.45	58,370	37	14.05	0.11	4,139	10	9.60	45,291	18	8,940	9
Sanjaybhai Narandas Patel	2.50	1,12,783	76	5.70	0.04	29,894	12	3.20	28,193	11	54,696	53
Thaorlal Atmaram Modi	2.35	4,94,691	459	42.75	0.33	83,077	91	40.40	2,53,758	92	1,57,856	276
Yadav Chhatrasinh Cheeranjilal	0.90	61,912	37	8.45	0.07	19,498	13	7.55	27,763	16	14,651	8

Ranjanben Pankajbhai Patel	0.40	25,200	7	1.20	0.01	10,098	2	0.80	5,050	2	10,052	3
Gulab Chand Pukhrj Surana	-	15	1	-	-	-	-	-	-	-	15	1
Harshida Jashavantlal Patel	(0.00)	4,065	15	0.25	0.00	810	3	0.25	1,360	4	1,895	8
Pranali Surana	(0.40)	12	1	-	-	-	-	0.40	12	1	-	-
Jashavantlal Chunilal Patel	(0.95)	1,691	12	0.05	-	330	1	1.00	821	7	540	4
Vikram Govindbhai Patel	(1.05)	5,600	2	-	-	-	-	1.05	5,600	2	-	-
Rekhaben Sanjaybhai Patel	(2.00)	1,03,823	69	4.60	0.04	31,728	23	6.60	48,799	24	23,296	22
Manjulaben Arvindbhai Patel	(2.15)	24,127	5	-	-	-	-	2.15	24,127	5	-	-
Thottathil Puthanpoirayil Saira	(2.20)	22,707	16	0.30	0.00	1,101	2	2.50	20,600	9	1,006	5
Rekhaben Pareshkumar Patel	(2.25)	6,686	12	0.20	0.00	86	2	2.45	5,588	7	1,012	3
Ronak Pankajkumar Patel	(5.30)	1,75,859	189	16.15	0.12	29,174	44	21.45	86,470	53	60,215	92
Arvindbhai Khodabhai Patel	(5.55)	34,100	9	-	-	-	-	5.55	34,100	9	-	-
Mona Vimesh Modi	(8.45)	36,134	44	-	-	-	-	8.45	19,589	18	16,545	26
Falguni T Modi	(8.80)	36,536	64	1.35	0.01	2,000	1	10.15	22,810	35	11,726	28
Neha Pasand Patel	(18.20)	2,75,844	398	37.30	0.29	55,138	81	55.50	1,74,691	109	46,015	208
Shaishil Tusharkumar Jhaveri	(124.35)	12,26,642	795	69.00	0.53	2,62,140	145	193.35	5,85,948	287	3,78,554	363
Grand Total	4,509.35	1,65,53,559	43,337	9,457.80	72.42	34,82,660	13,688	4,948.45	82,01,703	10,805	48,69,196	18,844

18. The details of Noticees No. 1 to 6 which contributed 5% or above to positive LTP is tabulated below:

Name	All trades			LTP Diff. >0				LTP Diff. < 0			LTP Diff. =0	
	LTP impact	Trade Qty	No.of trades	LTP impact	% to Mkt+ve	Trade Qty	No.of trades	-ve LTP impact	Trade Qty	No.of trades	Trade Qty	No.of trades
Top 6	4,117.20	1,06,87,160	33,732	8,049.35	61.65	23,19,950	11,110	3,932.15	50,88,582	8,302	32,78,628	14,320
Other 32	392.15	58,66,399	9,605	1,408.45	10.79	11,62,710	2,578	1,016.30	31,13,121	2,503	15,90,568	4,524
Total	4,509.35	1,65,53,559	43,337	9,457.80	72.44	34,82,660	13,688	4,948.45	82,01,703	10,805	48,69,196	18,844

19. Noticees No. 1 to 6 were the main contributors to price increase. Their trades resulted in net LTP contribution of ₹ 4,117.20. They bought shares at higher price to LTP in the scrip

on 11,110 instances which resulted into positive LTP contribution of ₹ 8,049.35 (61.65% of market positive LTP). They bought shares at lower price to LTP in the scrip on 8,302 instances which resulted into negative LTP contribution of ₹ 3,932.15. They bought 32,78,628 shares at price equal to LTP in 14,320 instances.

20. On the basis of the above, it is alleged that Noticees No. 1 to 6 have traded at prices above LTP and contributed to artificial price. It was also observed that the traded quantity for the trades above LTP constituted only 21.71% of their total buy quantity. Therefore, these entities have allegedly increased the price of the scrip by repeatedly entering into trades for lesser number of shares.

21. Analysis of the first trades executed by the Noticee nos. 1 to 6 was carried out, which is as follows:

Client	Above LTP			At or below LTP			All First Trades		
	LTP	No. of Trades	Trade Qty	Net LTP	No. of Trades	Trade Qty	Net LTP	No. of Trades	Trade Qty
Saurin Pravinbhai Shah	255.15	55	1,761	(9.10)	6	306	246.05	61	2,067
Vijay Babulal Shah	141.35	43	1,738	(0.65)	3	3,243	140.70	46	4,981
Shah Jipal Pineshkumar	85.45	31	6,470	(2.70)	5	5,786	82.75	36	12,256
Jagdish Ramanlal Patel	82.90	23	411	(14.65)	4	212	68.25	27	623
Shah Daivik Jatin	56.30	12	2,055	(0.65)	1	1	55.65	13	2,056
Bhavini Vijaykumar Shah	41.85	16	6,036	(1.20)	1	300	40.65	17	6,336

22. It can be seen from above table that the these entities contributed ₹ 706.20 to net LTP respectively through first trades in 224 trading days out of total 292 trading days during the investigation period. It was observed in the investigation that these entities were indulging in first trades on 224 occasions of the 292 trading days (i.e., 76.71%). Of the 224 days when they were buyers for the first trades, they contributed positive LTP on 204 occasions and resulted in artificial price rise of ₹ 735.15.

23. Analysis of the top five trades in terms of contribution to LTP by each of the six entities identified above was carried out and the same is provided as follows:

(a) Saurin Pravinbhai Shah:

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
29.06.12	18000179000332	09:08:23	09:06:58	193.00	193.00	161.50	31.50	1	1	Pre-open	
28.04.12*	18000082000068	11:08:29	11:00:25	198.10	195.00	165.10	29.90	5	5		
23.04.12	19000219002383	09:08:22	09:01:20	196.65	190.00	163.90	26.10	1	1		
03.04.12	22000058000547	09:08:22	09:00:24	191.60	178.50	159.70	18.80	10	9		
29.06.12	12000137002416	09:29:06	09:29:06	174.65	174.65	163.00	11.65	1	1	2,500	161.25
* Special live trading on Saturday from 11AM – 28.04.2012. Sub-Total							117.95	18	17		

Of the 5 buy trades tabulated above, 4 were in the pre-open session and one trade was in the normal market. At the time of entry for 3 out of 4 orders in the pre-open session mentioned above, there were no other buyers in the pre-open session other than the suspected entities. For the one order, the order price range entered by other buyers was ₹ 164-163.8 (2 orders) while Saurin entered buy order at 195.65.

(b) Vijay Babulal Shah

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
02.04.12	16000042000370	09:08:22	09:03:59	191.40	178.95	159.50	19.45	1	1	Pre-open	
10.04.12	20000262002888	09:08:22	09:00:48	205.80	183.95	171.50	12.45	10	10		
02.04.12	12000050003491	09:19:06	09:19:06	166.50	166.00	158.00	8.00	1	1	5500	158
02.04.12	12000050003377	09:18:43	09:18:43	167.95	167.95	160.00	7.95	1	1	100	127.65
09.04.12	23000052005394	09:24:10	09:24:10	170.95	170.95	163.00	7.95	1	1	250	168
Sub-Total							55.80	14	14		

Of the 5 buy trades above, the first 2 trades above were in the pre-open session where the buy order price entered by other than suspected entities was ₹ 127.65 (1 order) and ₹163.15 (3 orders) while Mr. Saurin entered buy order at ₹ 191.40 and 205.80 respectively.

(c) Shah Bhavini Vijaykumar

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
24.02.12	13000250007977	09:18:23	09:18:23	152.00	152.00	143.55	8.45	500	500	2000	144
21.05.12	15000124001651	09:16:54	09:16:54	183.00	183.00	174.85	8.15	1	1	1	169.20
17.10.11	17000036023034	15:29:41	15:29:40	82.00	82.00	74.20	7.80	2000	2000	0	NA
28.02.12	12000050003324	09:20:31	09:20:31	160.00	158.70	151.05	7.65	5000	15	18,820	148.25
25.06.12	12000137000384	09:08:16	09:06:59	198.45	172.80	165.40	7.40	5	1	Pre-open	
Sub-Total							39.45	7,506	2,517		

In the two cases where the number of shares transacted was more than 100 shares, the counterparty was Daivik Jatin Shah i.e., a connected entity and one of the suspected entities. In other trades, the entity contributed significantly to LTP by transacting small number of shares. For the trade in the pre-open session, no buy order was entered by any other person.

(d) Jagdish Ramanlal Patel

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
26.03.12	13000054001743	09:08:21	09:01:26	197.00	177.90	164.20	13.70	10	10	Pre-open	
26.03.12	13000054003608	09:15:53	09:15:53	174.00	174.00	164.00	10.00	1	1	1000	164
28.02.12	11000051000257	09:08:24	09:06:50	163.45	156.00	148.95	7.05	1	1	Pre-open	
21.03.12	14000061000411	09:16:06	09:16:03	163.00	163.00	157.15	5.85	150	150	0	158.05
20.04.12	11000179000344	09:08:30	09:00:57	195.35	169.00	163.50	5.50	10	9	Pre-open	
Sub-Total							42.10	172	171		

For the pre-open session trade on March 26, 2012, apart from the buy orders entered by Mr. Jagdish, there were 7 buy orders for 1,005 shares in total in the price range of ₹ 160-140 as against buy order price of ₹ 197 for 10 shares placed by Mr. Jagdish. Further, for the trade on April 20, 2012, there was only one other order by other than the captioned entity that had placed a buy order for 1 share at ₹ 163 as against buy order price of ₹ 195.35 for 10 shares placed by Mr. Jagdish.

(e) Shah Jipal Pineshkumar

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
17.01.12	12000061000035	09:15:07	09:15:03	133.00	133.00	121.70	11.30	5	5	200	110
13.07.12	13000133000266	09:08:16	09:06:21	186.95	164.00	155.80	8.20	1	1	Pre-open	
30.01.12	12000253004398	09:26:28	09:26:28	140.85	140.85	135.05	5.80	1	1	17	135.05
12.10.11	12000045000943	09:17:55	09:17:55	71.30	71.00	65.55	5.45	50	50	300	65.60
12.10.11	23000047001490	09:19:33	09:19:33	70.85	70.70	65.70	5.00	25	25	395	65.70
Sub-Total							35.75	82	82		

For the pre-open session trade on July 13, 2012, three other buy orders by entities other than the captioned entity were pending in the system for 325 shares at ₹ 131-124.65 as against buy order price of ₹ 186.95 for 1 share placed by Mr. Jipal.

(f) Shah Daivik Jatin

Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next buy price
28.04.12	19000075000448	11:16:14	11:16:14	190.00	190.00	165.00	25.00	25,000	3,000	3,000	165.15
28.04.12	16000063000702	11:15:41	11:15:41	194.00	194.00	175.10	18.90	50	35	5,015	165.00
01.03.12	22000089001812	09:08:25	09:00:49	180.00	175.95	164.35	11.60	10	10	Pre-open	
02.03.12	22000257002931	09:08:24	09:01:56	181.25	174.00	164.80	9.20	5	5		
29.02.12	13000216005163	09:08:31	09:01:00	179.00	170.95	163.35	7.60	10	10		
Sub-Total							72.30	25,075	3,060		

For the three trades in the pre-open session, except for 1 buy order by an entity other than the suspected entities for 200 shares at ₹ 148 on February 29, 2012 when Daivik had placed orders at 179, there were no buy orders by any entity other than Daivik's buy orders.

24. From the above, it is found that for buy orders placed in the pre-open session, either there were no other buyers other than the suspected entities or the buy order price offered by entities other than the suspected entities was much lesser than the buy price offered by the suspected entities. Further, all trades in the pre-open session were for up to 10 shares and they contributed to LTP significantly. It was found that in the normal trading session, the entities bought miniscule quantities of shares (except in one trade of Shah Daivik Jatin)

despite the fact that the quantities of shares available on sale were much higher than those bought by them. By buying in small quantities but at a price much above the LTP, the entities above contributed to price rise. It was seen that the order prices in the buy orders mentioned above were much higher than the next best order available in the system. Orders with very minimal quantities were placed at prices much higher than the market price and thereby causing artificial increase in the price of the scrip. This finding is supported by the table below capturing range of order quantities for the trades contributing to LTP by the aforesaid six entities:

Buy orders quantity range	No. of Trades	Sum of + LTP in ₹	% to the total +LTP by the client ₹851.96	Sum of Trade Quantity (%)
Upto10	7,623	6,595.10	81.93%	14,449 (0.62)
11-50	1,352	585.15	7.27%	35,285 (1.52)
51-100	527	188.60	2.34%	36,636 (1.58)
101-1000	934	357.15	4.44%	2,61,100 (11.25)
Above 1000	674	323.35	4.02%	19,72,480 (85.02)
Grand Total	11,110	8,049.35	100.00%	23,19,950 (100)

25. On the basis of the above, it is alleged that Noticee No.s 1 to 6 intended to and had caused artificial price rise in the scrip during the investigation period.

Promoters' role, trading and disclosure violations:

26. As per the shareholding details filed by the Company for the quarter ended March 31, 2012, ten promoter and the promoter group entities were holding 49.76% of the capital of PMTL. However, no disclosure was filed with the Company (confirmed by the Company vide mail dated November 13, 2014) and BSE (confirmed by BSE vide mail dated September 22, 2014). Further, Mr. Dipin Surana (Noticee No. 9) sold shares during the investigation period for which he was required to make disclosure under the SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations) but he did not do so. The details of change in shareholding along with the disclosure violations are tabulated below:

Date	Particulars	Change in holding			Shareholding		Disclosure required under Regulation
		Shares	%	Value	Shares	%	
01-Aug-11	Opening Balance				5,21,000	5.17	
01-Aug-12	Sale of shares	15,000	0.15	727,142	5,06,000	5.02	PIT 13(4A)*
02-Aug-12	Sale of shares	14,000	0.14	641,308	4,92,000	4.88	PIT 13(4A)*
03-Aug-12	Sale of shares	9,073	0.09	395,129	4,82,927	4.79	Nil
06-Aug-12	Sale of shares	2,417	0.02	100,064	4,80,510	4.77	Nil
07-Aug-12	Sale of shares	510	0.01	20,069	4,80,000	4.76	PIT 13(4A) ₹ 5,15,262
08-Aug-12	Sale of shares	2,000	0.02	91,200	4,78,000	4.74	Nil
09-Aug-12	Sale of shares	2,000	0.02	95,700	4,76,000	4.72	Nil
10-Aug-12	Sale of shares	2,000	0.02	100,400	4,74,000	4.70	Nil

27. Further, in violation of Clause 4.2 of the Code of Conduct ('CoC') adopted by the company to prevent insider trading ('CoC - PIT'), Mr. GP Surana (Managing Director and Noticee no. 8) has taken opposite positions i.e., bought and sold shares within six months. Mr. GP Surana bought and sold 15 shares on December 28, 2011 on market.

Paying Money and Securities by promoter entities

28. On June 28, 2011, one of the promoters of PMTL, Mr. Gulab Chand Pukhraj Surana (Noticee No. 8) transferred 2,50,000 shares of the PMTL to Mr. Jagdish Ramanlal Patel (Noticee No. 5) i.e., an entity of the Ahmedabad Group and no consideration was paid by the buyer, which was admitted by Jagdish R. Patel in his letter to SEBI. Further, from the bank statement of PM Telecom (a firm in which the authorized signatories are the promoters of PMTL i.e., Mr. Gulab Chand Pukhraj Surana, Mr. Dipin Surana and Mr. Ravi Pukhraj Surana), it was found that ₹ 10 Lakhs was transferred to Mr. Daivik Jatin Shah (Noticee No.6) on June 24, 2011 and ₹ 1 Crore was transferred to Saurin Pravinbhai Shah (Noticee No. 2) (₹ 30 Lakhs each on February 03, 2012 and February 07, 2012 and ₹ 15 Lakhs and 25 Lakhs on February 15 and February 16, 2012 respectively). The money so received was majorly either transferred to brokers to meet the pay-in obligation or transferred to other members of the Ahmedabad Group.
29. Therefore, it was alleged that the aforesaid transactions (money and shares) by the three promoters i.e., Mr. Gulab Chand Pukhraj Surana, Mr. Dipin Surana and Mr. Ravi Pukhraj

Surana were to induce the entities of the Ahmedabad group to deal in the security of PMTL with an object of inflating the price of such security.

30. Further, for the shares transferred by Mr. Gulab Chand Pukhraj Surana in off-market to Mr. Jagdish Ramanlal Patel, no consideration was paid by Mr. Jagdish Ramanlal Patel and therefore the said transaction does not satisfy the requirement of Spot Delivery Contract as defined under Section 2(i) of the Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as 'SCRA').
31. In view of the observations made in the above paragraphs, it is alleged that the Noticee No. 1 to 5 have violated Regulations 3(a), (b), (c) (d), 4(1), 4(2)(a) (b) (e) and (g) of PFUTP Regulations. It is also alleged that the Noticee No. 6 and 10 have violated Regulations 3(a), (b), (c) (d), 4(1), 4(2)(a) and (e) of the PFUTP Regulations. Additionally, Noticee no. 5 has also alleged to have violated Section 2(i) read with Section 13, 16 and 18 of the SCRA.
32. Further, it is alleged that the Noticees No. 7 to 9 have violated Regulations 3(a), (b), (c) (d), 4(1), 4(2)(a) and (d) of the PFUTP Regulations. It is also alleged that they have violated Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations). It is also alleged that Noticee No. 9 has additionally violated Regulation 13 (4A) of the PIT Regulations. It is also alleged that Noticee No 8 has violated Section 2(i) read with Section 13, 16 and 18 of the SCRA and Clause 4.2 of the Code of Conduct adopted by the company to prevent insider trading read with Regulation 12 (1) of the PIT Regulations.

Findings with respect to the scrip of 8KMiles

33. The focus of investigation was to ascertain whether there was any violation of the provisions of PFUTP Regulations in the trading in the scrip of 8KMiles by entities debarred by the interim order dated April 18, 2013 subsequently confirmed vide order dated December 30, 2013 during the period January 04, 2012 to September 28, 2012.

34. 8KMiles was incorporated as Rosebuds Commercials Ltd and renamed as P M Strips Ltd in January 2009 and further changed to 8K Miles Software Solutions Ltd in March 2011. The present promoters of the company acquired shares by way of a public announcement in 2010-11 and became promoters. 8KMiles' offers cloud consulting, engineering and migration services. It is also an Amazon Web Services Systems Integrator. Noticee no.8 is the erstwhile Managing Director of the 8 K Miles while Noticee No. 7 is the erstwhile director.
35. The investigation observed that 8K Miles came out with an issue of bonus shares during the quarter ended June 2012. Noticee Nos. 1 to 5 and 7 to 9 appeared in the top 10 gross buy clients and gross sell clients during the investigation period pre-bonus issue in the scrip of 8K Miles while Noticee Nos. 4 and 10 appear in the top 10 gross buy clients and gross sell clients during the investigation period post-bonus issue in the scrip of 8K Miles.
36. The price volume details as found in the investigation are tabulated below.

Period	Dates		Opening Price / Volume on first day of the period	Closing Price / Volume on last day of the period	Low Price / Volume during the period	High Price / Volume during the period	Avg. no. of shares traded daily during the period
Pre Investigation period	(04/10/2011 - 03/01/2012)	Price	48.00	41.00	39.70 (29/12/2011)	51.95 (04/10/2011)	3,709
		Vol	1,308	511	1 (19/10/2011)	65,755 (08/11/2011)	
Investigation Period (Pre-Bonus)	(04/01/2012 - 21/06/2012)	Price	41.95	61.40	39.90 (06/01/2012)	64.60 (21/06/2012)	21,344
		Vol	200	14,018	10 (28/02/2012)	2,32,977 (09/03/2012)	
Investigation Period (Post-Bonus)	(22/06/2012 - 28/09/2012)	Price	38.60	21.35	17.65 (04/09/2012)	42.50 (27/06/2012)	22,181
		Vol	1,503	1,082	47 (08/09/2012)	2,01,368 (01/08/2012)	
Post Investigation period	(29/09/2012 - 31/12/2012)	Price	22.40	56.20	20.15 (03/10/2012)	62.15 (27/12/2012)	36,511
		Vol	8,570	24,513	1,707 (02/11/2012)	35,659 (17/10/2012)	

37. Details of top 10 gross buy clients and gross sell clients during the investigation period, as noted in the findings of investigation, pre-bonus issue are tabulated as below:

Buy Client Name	Total	% of Trd Vol	Sell Client Name	Total	% of Trd Vol
Pankaj Narayandas Patel	1,57,773	6.37	Comfort Intech Limited	2,40,150	9.7
Shah Jipal Pineshkumar	1,49,197	6.03	Ravi Pukhraj Surana	1,77,089	7.15
Bhavini Vijaykumar Shah	1,39,909	5.65	Shah Jipal Pineshkumar	1,53,042	6.18
Saurin Pravinbhai Shah	1,24,864	5.04	Pankaj Narayandas Patel	1,44,948	5.85
Nishil Surendrabhai Marfatia	1,20,000	4.85	Saurin Pravinbhai Shah	1,40,283	5.67
Niraj Nagindas Shah	93,000	3.76	Dipin Surana	1,28,353	5.18
Ronak Pankajkumar Patel	83,500	3.37	Bhavini Vijaykumar Shah	1,10,276	4.45
Jagdish Ramanlal Patel	82,576	3.34	Surendra Mangaldas Marfatia	1,00,000	4.04
Vedawala Sangitaben Pareshkumar	80,500	3.25	Jagdish Ramanlal Patel	83,319	3.37
Vijay Babulal Shah	72,402	2.92	Gulabchand Pukhraj Surana HUF	81,907	3.31
Top 10 Buy Clients	11,03,721	44.58	Top 10 Sell clients	13,59,367	54.9
Remaining Clients	13,72,150	55.42	Remaining Clients	11,16,504	45.1
Total Traded Volume	24,75,871	100	Total Traded Volume	24,75,871	100

38. Details of top 10 gross buy and gross sell clients during the investigation period as noted in the findings of investigation, post-bonus issue are tabulated as below:

Buy Client Name	Total	% of Trd Vol	Sell Client Name	Total	% of Trd Vol
Sandeep Krishna Tandon	1,00,000	6.53	Vedawala Sangitaben Pareshkumar	2,34,594	15.33
Nikesh K Shah (HUF)	78,189	5.11	Nishil Surendrabhai Marfatia	2,02,301	13.22
Falguni Nikesh Shah	66,669	4.36	Shah Nikhil Dhirajlal HUF	1,16,664	7.62
Aruna Venkatraman Iyer	60,000	3.92	Rangawala Aslambhai Yusufbhai	75,546	4.94
Hema Govindbhai Patel	58,317	3.81	Hema Govindbhai Patel	61,919	4.05
Nilesh Kumarpal Shah	54,000	3.53	Lalitaben Fulabhai Patel	55,880	3.65
Nikesh Kumarpal Shah	51,459	3.36	Shah Jipal Pineshkumar	54,443	3.56
Nilesh Kumarpal Shah (HUF)	51,300	3.35	Rangwala Shaina Munuf	45,326	2.96
Shah Jipal Pineshkumar	50,000	3.27	Neha Pasand Patel	43,500	2.84
Sailesh H. Doshi	31,100	2.03	Ronak Pankajkumar Patel	38,000	2.48
Top 10 Buy Clients	6,01,034	39.27	Top 10 Sell clients	9,28,173	60.65
Remaining Clients	9,29,453	60.73	Remaining Clients	6,02,314	39.35
Total Traded Volume	15,30,487	100.00	Total Traded Volume	15,30,487	100.00

39. It was found that in the pre-bonus period, the top 10 clients contributed 44.58% and 54.90% of the buy and sell side respectively. In the post-bonus period, the top 10 clients contributed 39.27% and 60.65% of the buy and sell side respectively.
40. The suspected entities that had traded in the scrip during the investigation period and were found to have been connected to the suspected entities on the basis of Know Your Client (KYC) details or bank transactions have been identified and tabulated below:

Sr No	Client Name	PAN	Basis of connection
1	Shah Daxaben Vasantkumar	AKQPS8635P	<ul style="list-style-type: none"> 1-14 have common contact number – 9824046454 10-21 have common contact number – 9978834974 21 is 22's spouse 6, 7, 13, 14, 16, 17 and 23 have common contact number - 9978834974 23 and 24 entered into off-market transfers with 2 17 entered in to bank transactions with 2, 3, 4, 6, 10, 12, 13, 14, 18, 20 and 22
2	Umeshbhai Chhatrasinh Yadav	AEWPY0505J	
3	Yadav Vishnu Chhattarsingh	ACGPY8943E	
4	Lalitaben Fulabhai Patel	AQDPP3951E	
5	Sonal Kiritbhai Patel	AOEPP2753D	
6	Neha Pasand Patel	AOEPP2155H	
7	Jagdish Ramanlal Patel	AAWPP0600R	
8	Nahush Budhabhai Patel	AIUPP9247J	
9	Budhabhai Radhabhai Patel	AASPP6000H	
10	Pankaj Narayandas Patel	AAWPP0599D	
11	Patel Sanjaybhai Narandas	ATKPP2023K	
12	Ronak Pankajkumar Patel	ATKPP2021M	
13	Urmilaben G Patel	ATKPP2887M	
14	Hema Govindbhai Patel	AQGPP6610B	
15	Thaorlal Atmaram Modi	ABQPM0795D	

Sr No	Client Name	PAN	Basis of connection
16	Mona Vimesh Modi	AJXPM4343C	<ul style="list-style-type: none"> 18 entered in to bank transactions with 2, 3, 4, 6, 9, 15, 17, 19, 20, 21, 22 and 24 25-31 are erstwhile promoter group entities and immediate family members 25 and 26 transferred money to 17 and 18 through their firm PM Telecom Shares of PMTL transferred in the off-market by 28 to 7 Entities 1-24 are collectively referred as 'Ahmedabad Group', 25-31 as 'Surana Group' and 1-31 as 'Suspected entities'.
17	Saurin Pravinbhai Shah	BKYPS3545K	
18	Shah Daivik Jatin	BXYPS2715J	
19	Span Tradelink Private Limited	AAMCS1234M	
20	Jipal Pineshkumar Shah	BMWPS2515R	
21	Shah Vijay Babulal	AOMPS1703C	
22	Bhavini Vijaykumar Shah	CDAPS8340A	
23	Thottathil Puthanpoirayil Saira	AAAPZ2960N	
24	Vedawala Sangitaben Pareshkumar	AJWPV1553G	
25	Dipin Surana	AINPS9083Q	
26	Ravi Pukhraj Surana	AINPS9085J	
27	Gulabchand Pukhraj Surana HUF	AAAHG8506R	
28	Gulab Chand Pukhraj Surana	AINPS9082R	
29	Meena Surana	AINPS9084K	
30	Priyanka Surana	AYXPS5190G	
31	Pranali Surana	BLPPS7588J	

41. Summary of the trades of these entities, as noted in the findings of investigation, is as follows:

Particulars	Gross Buy	Gross buy % to Market vol.	Gross Sell	Gross Sell % to Market vol.	Net Trade	Net trade % to Market vol.	Gross trade	Gross trade % to Market vol.
Pre-Bonus	10,49,929	42.41	15,38,550	62.14	-4,88,621	19.74	25,88,479	52.27
Post Bonus	2,17,533	14.21	6,29,700	41.14	-4,12,147	26.93	8,47,233	27.68

42. In the pre-bonus period, the 31 identified clients had purchased 10,49,929 shares at an average rate of ₹ 55.10 per share (42.41% of market volume) and sold 15,38,550 shares at an average rate of ₹ 55.42 (62.14% of market volume). In the post-bonus period, the 31 identified clients had purchased 2,17,533 shares at an average rate of ₹ 28.08 per share (14.21% of market volume) and sold 6,29,700 shares at an average rate of ₹ 25.17 (41.14% of market volume).
43. The details of the trades of these entities, as noted in the findings of the investigation, are as follows:

A. Pre-Bonus - (January 04, 2012 – June 21 2012)

Name	Gross Buy			Sell		
	Quantity	Value	Avg Rate	Quantity	Value	Avg Rate
Pankaj Narayandas Patel	1,57,773	91,68,386	58.11	1,44,948	79,24,601	54.67
Saurin Pravinbhai Shah	1,24,864	69,05,460	55.30	1,40,283	78,81,027	56.18
Shah Jipal Pineshkumar	1,49,197	82,57,503	55.35	1,53,042	85,20,536	55.67
Bhavini Vijaykumar Shah	1,39,909	66,95,653	47.86	1,10,276	60,19,866	54.59
Ronak Pankajkumar Patel	83,500	47,45,500	56.83	60,700	33,75,235	55.61
Jagdish Ramanlal Patel	82,576	44,75,655	54.20	83,319	48,17,921	57.83
Vedawala Sangitaben Pareshkumar	80,500	44,79,600	55.65	-	-	-
Vijay Babulal Shah	72,402	40,24,177	55.58	67,949	37,80,937	55.64
Hema Govindbhai Patel	58,601	33,70,369	57.51	20,462	11,18,815	54.68
Urmilaben Govindbhai Patel	56,510	32,48,845	57.49	55,743	31,20,841	55.99
Thottathil Puthanpoirayil Saira	23,052	12,80,080	55.53	55,038	31,92,773	58.01
Budhabhai Radhabhai Patel	19,609	11,23,626	57.30	14,010	7,80,495	55.71
Span Tradelink Private Limited	1,056	59,145	56.01	5,646	2,84,703	50.43
Shah Daivik Jatin	294	16,538	56.25	293	16,577	56.58
Nahush Budhabhai Patel	60	3,419	56.99	-	-	-
Patel Sanjaybhai Narandas	10	597	59.70	-	-	-
Yadav Umeshbhai Chhatrasinh	-	-	-	10,000	5,35,000	53.50
Shah Daxaben Vasantkumar	-	-	-	150	8,775	58.50
Sub Total - Ahmedabad Group	10,49,913	5,78,54,554	55.10	9,21,859	5,13,78,102	55.73
Ravi Pukhraj Surana	4	206	51.46	1,77,089	93,74,531	52.94
Dipin Surana	-	-	-	1,28,353	70,94,454	55.27
Gulabchand Pukhraj Surana Huf	7	384	54.85	81,907	44,74,226	54.63
Priyanka Surana	-	-	-	64,980	37,08,858	57.08
Gulab Chand Pukhraj Surana	5	275	55.04	63,462	34,78,285	54.81
Pranali Surana	-	-	-	50,000	28,68,572	57.37
Meena Surana	-	-	-	50,900	28,94,465	56.87
Sub Total - Surana Group	16	865	54.06	6,16,691	3,38,93,390	54.96
Sub-Total (Suspected entities)	10,49,929	5,78,55,419	55.10	15,38,550	8,52,71,493	55.42
Others	14,25,942	7,88,94,268	55.33	9,37,321	5,14,78,195	54.92
Total	24,75,871	13,67,49,687	55.23	24,75,871	13,67,49,687	55.23

B. Post-Bonus - (June 22, 2012 – September 28, 2012)

Name	Gross Buy			Sell		
	Quantity	Value	Avg Rate	Quantity	Value	Avg Rate
Hema Govindbhai Patel	58,317	15,46,398	26.52	61,919	15,53,688	25.09
Shah Jipal Pineshkumar	50,000	16,97,500	33.95	54,443	13,74,629	25.25
Budhabhai Radhabhai Patel	22,567	6,20,914	27.51	19,984	4,93,631	24.70
Vedawala Sangitaben Pareshkumar	17,095	3,87,529	22.67	2,34,594	55,41,282	23.62
Patel Sanjaybhai Narandas	16,146	3,66,272	22.69	16,162	4,14,264	25.63
Lalitaben Fulabhai Patel	12,806	3,25,252	25.40	55,880	13,72,635	24.56
Sonal Kiritbhai Patel	9,000	2,71,305	30.15	7,900	1,98,750	25.16
Pankaj Narayandas Patel	6,300	1,93,725	30.75	6,300	1,58,670	25.19
Vijay Babulal Shah	2,721	1,10,037	40.44	16,925	4,36,665	25.80
Saurin Pravinbhai Shah	2,669	1,00,281	37.57	9,054	2,32,130	25.64
Yadav Umeshbhai Chhatrasinh	1,919	76,670	39.95	18,840	4,45,700	23.66
Jagdish Ramanlal Patel	1,727	36,403	21.08	7,065	2,25,012	31.85
Shah Daivik Jatin	1,721	39,805	23.13	-	-	-
Bhavini Vijaykumar Shah	1,118	22,880	20.46	20,107	6,78,629	33.75
Yadav Vishnu Chhattarsingh	1,022	23,174	22.68	15,982	4,06,885	25.46
Shah Daxaben Vasantkumar	458	10,358	22.62	1	23	23.30
Thaorlal Atmaram Modi	300	6,210	20.70	-	-	-
Neha Pasand Patel	-	-	-	43,500	10,87,839	25.01
Ronak Pankajkumar Patel	-	-	-	38,000	11,68,500	30.75
Mona Vimesh Modi	-	-	-	3,044	58,121	19.09
Sub Total - Ahmedabad Group	2,05,886	58,34,713	28.34	6,29,700	1,58,47,052	25.17
Dipin Surana	7,667	1,91,127	24.93	-	-	-
Meena Surana	4,000	83,327	20.83	-	-	-
Sub Total - Surana Group	11,667	2,74,454	23.52	-	-	-
Sub-Total (Suspected entities)	2,17,553	61,09,167	28.08	6,29,700	1,58,47,052	25.17
Others	13,12,934	3,30,90,043	25.20	9,00,787	2,33,52,158	25.92
Total	15,30,487	3,91,99,210	25.61	15,30,487	3,91,99,210	25.61

44. LTP analysis was carried out for the suspected entities for pre-bonus and post-bonus period within the investigation period. The details of buy trades of the suspected entities and their impact on LTP are tabulated in the table below:

Pre-Bonus

Name	All trades			LTP Diff. >0				LTP Diff. < 0			LTP Diff. =0	
	LTP impact	Trade Qty	No of trades	LTP impact	% to Mkt+ve	Trade Qty	No of trades	-ve LTP impact	Trade Qty	No of trades	Trade Qty	No of trades
Saurin Pravinbhai Shah	284.60	1,24,864	662	486.75	33.88	25,600	305	202.15	46,908	196	52,356	161
Vijay Babulal Shah	195.80	72,402	424	323.45	22.51	1,705	168	127.65	34,165	123	36,532	133
Jagdish Ramanlal Patel	91.05	82,576	237	156.30	10.88	26,060	116	65.25	28,028	81	28,488	40
Shah Jipal Pineshkumar	85.55	1,49,197	170	104.50	7.27	25,872	79	18.95	41,947	25	81,378	66
Shah Daivik Jatin	31.40	294	41	48.80	3.40	42	25	17.40	247	11	5	5
Gulabchand Pukhraj Surana Huf	20.95	7	7	20.95	1.46	7	7	-	-	-	-	-
Hema Govindbhai Patel	17.80	58,601	29	23.20	1.62	403	12	5.40	17,850	5	40,348	12
Span Tradelink Pvt Ltd	17.45	1,056	18	17.70	1.23	331	13	0.25	605	3	120	2
GP Surana	11.45	5	5	11.45	0.80	3	3	-	-	-	2	2
TP Saira	10.90	23,052	31	28.05	1.95	40	13	17.15	804	13	22,208	5
Nahush Budhabhai Patel	10.10	60	19	21.25	1.48	27	10	11.15	14	7	19	2
Pankaj Narayandas Patel	6.80	1,57,773	28	11.50	0.80	9,324	10	4.70	40,869	5	1,07,580	13
Ravi Pukhraj Surana	5.45	4	4	5.45	0.38	2	2	-	-	-	2	2
Bhavini Vijaykumar Shah	3.40	1,39,909	29	9.40	0.65	25,104	7	6.00	80,076	7	34,729	15
Patel Sanjaybhai Narandas	2.80	10	1	2.80	0.20	10	1	-	-	-	-	-
Urmilaben G Patel	(0.85)	56,510	11	-	-	-	-	0.85	10,010	3	46,500	8
Vedawala Sangitaben Pareshkumar	(1.00)	80,500	5	-	-	-	-	1.00	47,571	2	32,929	3
Budhabhai Radhabhai Patel	(1.85)	19,609	16	1.85	0.13	89	5	3.70	14,370	8	5,150	3
Pankaj N Patel	(2.65)	83,500	8	-	-	-	-	2.65	32,000	2	51,500	6
Total	789.15	10,49,929	1,745	1,273.40	88.63	1,14,619	776	484.25	3,95,464	491	5,39,846	478

45. It was found from the above table that trades of group entities during the pre-bonus investigation period resulted in LTP contribution of ₹ 789.15. The group bought 1,14,619 shares (10.92%) at higher prices to LTP in the scrip on 776 (44.47%) instances and bought 3,95,464 shares (37.67%) at lower prices to LTP on 491 instances (28.14%). Buy trades for 5,39,846 shares (51.42%) were without any LTP contribution on 478 instances (27.39%).

Post-Bonus

Name	All trades			LTP Diff. >0				LTP Diff. < 0			LTP Diff. =0	
	LTP impact	Trade Qty	No of trades	LTP impact	% to Mkt+ve	Trade Qty	No of trades	-ve LTP impact	Trade Qty	No of trades	Trade Qty	No of trades
Hema Govindbhai Patel	70.60	58,317	545	82.15	21.90	6,371	151	11.55	5,738	57	46,208	337
Saurin Pravinbhai Shah	62.75	2,669	110	84.90	22.55	76	53	22.15	1,853	43	740	14
Budhabhai Radhabhai Patel	8.45	22,567	83	18.40	4.91	8,567	28	9.95	9,535	42	4,465	13
Vijay Babulal Shah	13.45	2,721	20	16.65	4.44	29	13	3.20	107	2	2,585	5
Yadav Vishnu Chhattarsingh	10.10	1,022	20	10.40	2.77	263	13	0.30	455	5	304	2
Jagdish Ramanlal Patel	8.45	1,727	28	8.45	2.25	566	8	-	-	-	1,161	20
Bhavini Vijaykumar Shah	4.55	1,118	21	5.40	1.44	344	9	0.85	300	4	474	8
Vedawala Sangitaben Pareshkumar	4.95	17,095	72	5.05	1.35	82	7	0.10	30	1	16,983	64
Shah Daxaben Vasantkumar	3.00	458	21	3.40	0.91	3	3	0.40	50	1	405	17
Lalitaben Fulabhai Patel	1.00	12,806	20	2.40	0.64	2,555	9	1.40	2,249	6	8,002	5
Patel Sanjaybhai Narandas	0.25	16,146	40	2.05	0.55	236	7	1.80	3,452	8	12,458	25
Shah Daivik Jatin	1.15	1,721	5	1.65	0.44	1	1	0.50	220	2	1,500	2
Meena Surana	1.10	4,000	9	1.10	0.29	1,050	3	-	-	-	2,950	6
Yadav Umeshbhai Chhatrasinh	(0.50)	1,919	18	0.50	0.13	5	1	1.00	100	1	1,814	16
Shah Jipal Pineshkumar	0.35	50,000	9	0.35	0.09	5,000	1	-	-	-	45,000	8
Dipin Surana	0.05	7,667	8	0.05	0.01	1,000	1	-	-	-	6,667	7
Pankaj Narayandas Patel	-	6,300	2	-	-	-	-	-	-	-	6,300	2
Sonal Kiritbhai Patel	-	9,000	3	-	-	-	-	-	-	-	9,000	3
Thaorlal Atmaram Modi	(0.35)	300	3	-	-	-	-	0.35	200	2	100	1
Total	189.35	2,17,553	1,037	242.90	64.67	26,148	308	53.55	24,289	174	1,67,116	555

* For computing LTP contribution through the first trade on ex-bonus basis (bonus in the ratio of 2:3), the LTP is computed considering the theoretical price based on the close price on the previous day i.e., ₹ 62.00 which is calculated as ₹ 37.20.

46. It was found from the above table that trades of group entities during the post-bonus investigation period resulted in LTP contribution of ₹189.35. The group bought 26,148 shares (12.02%) at higher prices to LTP in the scrip on 308 (29.60%) instances and bought

24,289 shares (11.17%) at lower prices to LTP on 174 instances (16.88%). Buy trades for 1,67,116 shares (76.82%) were without any LTP contribution on 555 instances (53.52%). In view of the above, it is alleged that the main contributors to artificial price increase were Noticees Nos. 1, 2, 4 and 5 in the pre- bonus period and Noticee No. 2 and 10 in the post-bonus period.

47. During the period of investigation, the price of scrip increased by ₹ 26.55 [Pre- bonus from ₹ 41.95 to ₹ 64.60 (22.65) and post-bonus from ₹ 38.60 to ₹ 42.50 (3.90)]. Contribution to NHP by the Noticees is tabulated below:

Period	Name	NHP	NHP%	No. of trades	Quantity
Pre Bonus	Saurin Pravinbhai Shah	8.05	35.53	10	1089
Pre Bonus	Vijay Babulal Shah	7.45	32.88	4	291
Pre Bonus	Jagdish Ramanlal Patel	3.35	14.79	2	60
Pre Bonus	Span Tradelink Private Limited	0.05	0.22	1	50
Pre Bonus	Total	18.90	83.42	17	1,490
Post Bonus	Vijay Babulal Shah	2.75	70.52	2	2
Post Bonus	Saurin Pravinbhai Shah	0.65	16.67	2	2
Post Bonus	Yadav Umeshbhai Chhatrasinh	0.50	12.81	1	5
Post Bonus	Total	3.90	100.00	5	9
Total		22.80	85.88	22	1,499

48. There were 29 trades establishing new highs during the investigation period. Of the above, the suspected entities were buyers to the transactions for 22 trades. Total contribution to new high price by the suspected entities aggregated to ₹ 22.80 i.e., 85.88% of new high prices established. The Noticee Nos. 1, 2 and 5 have contributed significantly to NHP.
49. Of the 185 first trades during the investigation period, buyers in 116 first trades were the suspected entities. Of the 116 trades, the LTP contribution in 109 first trades was positive. The details of such first trades with positive LTP are tabulated below:

Name	Pre-Bonus				Post-Bonus			
	LTP	LTP %	No. of trades	Trade Quantity	LTP	LTP %	No. of trades	Trade Quantity
Saurin Pravinbhai Shah	68.60	127.27	36	1,245	13.40*	34.23	9	9
Vijay Babulal Shah	43.55	79.28	23	353	3.35	8.52	2	2
Jagdish Ramanlal Patel	27.00	49.50	13	234	-	-	-	-
Shah Daivik Jatin	11.85	21.18	6	14	1.65	4.91	1	1
Nahush Budhabhai Patel	9.60	16.91	4	21	-	-	-	-
Jipal Pineshkumar Shah	8.00	14.91	3	16	-	-	-	-
Yadav Vishnu Chhattarsingh	-	-	-	-	2.75	11.99	4	31
Thottathil Puthanpoirayil Saira	3.35	5.92	1	5	-	-	-	-
Hema Govindbhai Patel	-	-	-	-	2.35	9.90	2	2
Patel Sanjaybhai Narandas	2.80	4.92	1	10	0.65	2.58	1	1
Vedawala Sangitaben Pareshkumar	-	-	-	-	1.10	4.94	1	20
Budhabhai Radhabhai Patel	-	-	-	-	0.80	3.21	1	1
Bhavini Vijaykumar Shah	-	-	-	-	0.25	1.18	1	10
Total	174.75	319.89	87	1898	26.30	81.46	22	77

* For computing LTP contribution through the first trade on ex-bonus basis (bonus in the ratio of 2:3), the LTP is computed considering the theoretical price based on the close price on the previous day i.e., ₹ 62.00 which is calculated as ₹ 37.20.

50. The details of other seven first trades are tabulated below:

Name	LTP	LTP%	No. of trades	Quantity
Saurin Pravinbhai Shah	(4.85)	(8.63)	4	9
Vijay Babulal Shah	(1.25)	(2.18)	1	5
Bhavini Vijaykumar Shah*	(0.90)	(2.05)	2	35,001
Total	(7.00)	(12.86)	7	35,015

* Includes 1 trade in post-bonus period for 1 share with nil LTP contribution. All other trades were in the pre-bonus period.

51. It is found from the above table that Noticee nos. 1, 2 and 5 contributed to price rise by repeatedly entering into first trades through first trades on 62 and 11 trading days respectively in the pre and post bonus period out of total 185 trading days during the investigation period.

52. The Noticee nos. 1, 2, 4, 5 & 10 had entered into 872 trades and increased the price of the scrip by contributing positively to LTP. Therefore, an analysis of the top five trades in terms of contribution to LTP by each of them was carried out on a sample basis and the same is provided below:

Buyer Name	Date	Buy Order No.	Trade Time	Buy Order Time	Buy Order Price	Trade Price	LTP at Order Entry	LTP Diff	LTP %	Buy Order Qty	Trade Qty	Avl. Sell Qty	Next best buy price
Saurin Pravin-bhai Shah	11.04.12	12000134006976	09:16:05	09:16:05	59.70	59.70	55.10	4.60	8.35	10	10	199	Nil
	04.05.12	12000130013388	09:37:03	09:37:03	52.00	52.00	48.00	4.00	8.33	1	1	800	47.95
	06.07.12	20000087011313	09:22:01	09:22:01	39.00	39.00	36.00	3.00	8.33	1	1	186	36.00
	09.04.12	12000151023226	10:34:51	10:34:51	59.50	59.50	55.00	4.50	8.18	20	20	240	Nil
	16.05.12	13000112007307	09:26:29	09:26:29	56.75	56.75	52.55	4.20	7.99	1	1	198	Nil
	16.05.12	21000115007430	09:26:42	09:26:42	56.75	56.75	52.55	4.20	7.99	1	1	197	Nil
	16.05.12	21000115007486	09:27:05	09:27:05	56.75	56.75	52.55	4.20	7.99	1	1	196	Nil
	16.05.12	13000112007568	09:27:18	09:27:18	56.75	56.75	52.55	4.20	7.99	1	1	195	Nil
									32.90	65.15	36	36	2,211
Vijay Babulal Shah	13.04.12	12000135008368	09:20:05	09:20:05	56.85	56.85	51.60	5.25	10.17	1	1	400	52.05
	31.01.12	19000135021071	10:00:31	10:00:31	56.50	56.50	51.60	4.90	9.50	100	100	1,300	Nil
	31.01.12	15000112014438	09:38:46	09:38:46	56.75	56.75	52.05	4.70	9.03	50	50	1,845	Nil
	31.01.12	14000134032378	09:42:40	09:42:40	56.75	56.75	52.10	4.65	8.93	40	40	1,745	Nil
	24.01.12	19000286053463	10:28:24	10:28:24	49.95	49.95	46.00	3.95	8.59	1	1	200	Nil
									23.45	46.22	192	192	5,490
Shah Jipal Pinesh-kumar	30.01.12	12000121033332	10:16:28	10:16:28	56.50	56.50	52.10	4.40	8.45	1	1	1,000	Nil
	30.01.12	19000134049542	11:52:23	11:52:23	56.85	56.85	53.25	3.60	6.76	100	100	1,360	52.10
	03.02.12	16000119001481	09:16:30	09:16:30	56.70	56.70	53.20	3.50	6.58	5	5	800	53.25
	14.02.12	12000255033858	10:39:16	10:39:16	58.35	58.35	55.00	3.35	6.09	1	1	197	55.00
	18.06.12	20000185004642	09:20:32	09:20:32	60.60	60.60	57.20	3.40	5.94	1	1	34	54.90
									18.25	33.82	108	108	3,391
Jagdish Ramanlal Patel	19.04.12	12000128019340	10:02:37	10:02:37	53.45	53.45	49.60	3.85	7.76	1	1	98	49.60
	19.04.12	12000128019719	10:03:38	10:03:38	53.45	53.45	49.60	3.85	7.76	1	1	97	Nil
	17.08.12	14000108169867	15:19:27	15:19:27	21.10	21.10	19.60	1.50	7.65	200	72	72	19.70
	19.04.12	16000123033572	10:01:26	10:01:26	53.45	53.45	49.70	3.75	7.55	1	1	100	49.70
	19.04.12	21000126014557	10:01:39	10:01:39	53.45	53.45	49.70	3.75	7.55	1	1	99	49.70
									16.70	38.27	204	76	466
Hema Govind-bhai Patel	01.08.12	16000095118999	14:00:50	14:00:50	27.00	27.00	25.00	2.00	8.00	10	10	1,229	24.75
	01.08.12	14000098040509	13:44:29	13:44:29	27.00	27.00	25.05	1.95	7.78	25	25	1,155	24.70
	01.08.12	16000095123319	14:09:22	14:09:22	26.40	26.40	24.55	1.85	7.54	25	25	500	Nil
	01.08.12	16000095086448	12:24:01	12:24:01	26.75	26.75	25.00	1.75	7.00	25	25	440	24.70
	01.08.12	16000095124775	14:11:50	14:11:49	26.25	26.25	24.55	1.70	6.92	50	50	475	24.55
	01.08.12	12000082057424	14:12:00	14:12:00	26.25	26.25	24.55	1.70	6.92	25	25	425	Nil
									10.95	44.16	160	160	4,224
Total								102.25	227.62	700	572	15,782	

53. From the table above, it was found that the entities bought miniscule quantities of shares despite the fact that the quantities of shares available on sale were much higher than those bought by them. By buying in small quantities but at a price far away from LTP, the entities above contributed to price rise. There were only two trades that were for 100 shares or more and both the trades matched with a connected entity (viz., Ms. Bhavini Vijaykumar Shah). All the buy orders tabulated above were entered at the best available sell order price but the buy order quantity was miniscule and always much lesser than the quantity available on sale at the time of respective buy order entry. From the analysis of the order log for positive LTP trades of these entities, it was found that the the order price in the buy orders mentioned above were much higher than the next best order available in the system.
54. Further, orders with very minimal quantities were placed at prices much higher than the market price and thereby causing artificial increase in the price of the scrip. This is corroborated from the table below capturing range of order quantities for the trades contributing to LTP and thereby artificial price rise by the four entities in the pre-bonus period and the two entities in the post-bonus period (five distinct entities):

Buy orders quantity range	No. of Trades	Sum of + LTP in ₹	% to the total +LTP by the client ₹1,238.05	Sum of Trade Quantity (%)
1-10	662	1043	84.25%	1,674 (1.95)
11-50	151	146.45	11.83%	4,056 (4.73)
51-100	27	28.65	2.31%	1,863 (2.17)
101-1000	26	15.7	1.27%	6,781 (7.91)
Above 1000	6	4.25	0.34%	71,310 (83.22)
Grand Total	872	1,238.05	100.00%	85,684 (100)

55. In view of the pattern explained above, it is alleged that the above-mentioned five entities intended to and caused artificial price rise in the scrip of the company during the investigation period. Thus, in view of the findings stated in the above paragraphs, it is alleged that the Noticee No. 1, 2, 4,5 and 10 have violated Regulations 3(a), (b), (c) (d), 4(1), 4(2)(a) and (e) of the PFUTP Regulations.

REPLIES AND PERSONAL HEARINGS:

56. The SCN was duly served on the Noticees by Registered Post Ack. Due / Affixture / Email. Thereafter, SEBI received letters dated April 03, 2016; April 01, 2016, April 01, 2016 and July 21, 2016 from Darshana Pinesh Shah (mother of Jipal Pinesh Shah), Daivik Jatin Shah, Saurin Praveen Shah and Dipin Surana respectively, *inter alia* acknowledging receipt of SCN. However, none of the Noticees submitted any reply on merits in respect of the charges in the SCN. An opportunity of personal hearing was granted to the Noticees by scheduling the same on October 23, 2017, for which the notices were served by Speed Post / Hand Delivery. In response to the same, Shri G.P. Surana, Shri Ravi Surana and Shri Dipin Surana vide their letters dated September 22, 2017 requested for adjournment of hearing. Further, Saurin Pravinbhai Shah, Hema Govind Patel and Jagdish Ramanlal Patel vide emails dated October 20, 2017 and October 22, 2017 *inter alia* denied the allegations against them as specified in the SCN. Subsequently, Shri Vijay Babulal Shah, Shri Daivik Shah, Saurin P. Shah, Hema G. Patel and Jagdish R Patel attended the personal hearing before me on October 23, 2017. During the personal hearing, Vijay Babulal Shah appeared in person and made submissions whereas the other four Noticees appeared through their authorized representative, Shri Vikas Bengani, who undertook to submit written submissions on their behalf within two weeks' time. Thereafter, Daivik Shah vide his letter dated November 16, 2017 made written submissions in respect of the SCN. However, no replies was received from Saurin P. Shah, Hema G. Patel and Jagdish R. Patel. Daivik Jatin Shah vide letter dated January 05, 2018 also made a request to SEBI for permission to sell shares of 8KMiles, which was denied by the Competent Authority. Subsequently, G.P. Surana, Dipin Surana and Ravi Surana vide their individual letters each dated February 19, 2018 filed their replies to the SCN.
57. Another opportunity of personal hearing was provided to Ravi Surana, G.P. Surana, Dipin Surana, Bhavini Vijaykumar Shah and Shah Jipal Pineshkumar by scheduling the same on June 19, 2018. The notices for the same were served upon the said Noticees by Hand Delivery. Bhavini Vijaykumar Shah and Shah Jipal Pineshkumar failed to attend the said hearing whereas Ravi Surana, G.P. Surana and Dipin Surana attended the hearing and made submissions through their authorized representatives, Shri Chetan R. Shah and Ms. Unnati

Upadhyay. Ravi Surana, G.P. Surana and Dipin Surana also made further written submissions vide letters dated July 19, 2018. The submissions made by various Noticees through their written submissions and/or during the personal hearing are summarized below.

58. Vijay Babulal Shah, during the personal hearing submitted *inter alia* the following:
- (a) The real culprit was Jatin Shah who did not figure in the list of Noticees.
 - (b) Jatin Shah had used his and others' signatures and demat accounts for his personal trades. Some of the other Noticees were related to Jatin Shah. For example, Daivik Shah is Jatin Shah's son. He had come into contact with Jatin Shah when he was a sub-broker in Arcadia Share Brokers.
59. Daivik Jatin Shah vide his letter dated November 16, 2017 submitted *inter alia* the following:
- (a) The allegations of self-trades, synchronized trades made in the SCN against other Noticees have not been made against him. The allegations in the SCN against him are restricted to the charge that he was connected to the Ahmedabad Group through common telephone number and fund movements and that he acted in tandem with other entities of the Ahmedabad Group to artificially inflate the price of the scrip of PMTL by trading above the LTP. No charges are made out against him regarding the alleged manipulation in the scrip of 8KMiles.
 - (b) Pursuant to the interim order, he has already undergone debarment from the capital markets for over a period of four years and six months which is penal in nature. Further, adjudication proceedings have also been initiated against him. In light of these facts, he may be released from the debarment without going into the merits of the case.
 - (c) The instant proceedings is vitiated by great delay, which is against the principles of natural justice.
 - (d) He has incurred a loss of Rs.23.84 Lakh in the investigation period as computed and set out in the investigation report.

- (e) The transfer of Rs.10 Lakh transferred into his account from the promoters of PMTL, as referred to in the SCN, was done on the basis of a loan cum guarantee Agreement for a period of 2 years, as he needed money to buy certain property. No malafide can be assigned to this transaction. While substantial portion of such amount was returned to the promoters of PMTL, the remaining was written off due to his weak financial position. The loan transaction between him and the promoters of PMTL cannot be held to be a connecting factor between him and the promoters for alleging manipulation. The loan transaction also does not connect him to the members of the Ahmedabad Group for alleging manipulation.
- (f) While no charges have been made against him in respect of trading in the scrip of 8KMiles, his trades in the scrip of PMTL are a minuscule percentage of total trading in the scrip. Such trades were undertaken over fourteen months in an honest way to earn profit but resulted in losses.
- (g) SEBI has relied on selective extracts from the trade and order logs to allege the charge of manipulation against him, without looking at the totality of his trades.
- (h) He denies that he was part of any group, including Ahmedabad Group, as alleged in the SCN. He had traded in various scrips during the investigation period. Being an individual trader, the alleged misdeeds of the Ahmedabad Group cannot be thrust upon him.
- (i) The phone number in question had not been furnished by him to any stock broker. He is not aware who the number belongs to or any other information about the same.
- (j) Apart from holding transfer of funds between him and the members of the Ahmedabad Group as a factor establishing his connection with them, the SCN provides no details of how the funds were used by such persons. The transfer of funds with members of the Ahmedabad Group were primarily in the form of loans and their repayment and it is erroneous to consider such flow of funds as basis of connection with the Ahmedabad Group for alleged manipulation.
- (k) His trades in the scrip of PMTL were genuine. His orders in the scrip of PMTL which were above LTP were put in normal course of trading and were not aimed at inflating the prices or do any manipulation.

60. Ravi Surana, G.P. Surana and Dipin Surana vide their written submissions dated February 19, 2018 and July 19, 2018 and during the personal hearing have submitted *inter alia* the following:

- (a) The Noticees deny all the allegations against them, made in the SCN.
- (b) They have no role to play in the price rise during the investigation period. They have been included in the SCN because they are the promoters of PMTL and were the promoters of 8KMiles in the past and because they have transacted in the scrip of PMTL during the investigation period.
- (c) As regards the transfer of 2,50,000 shares of PMTL by G.P. Surana to Jagdish Ramanlal Patel for which consideration was not received from Jagdish Ramanlal Patel, the said transaction was carried out on June 28, 2011 which is much prior to the investigation period. The BSE vide notice dated June 21, 2011 had suspected trading in the scrip of PMTL during June 29, 2011 and July 05, 2011 due to non-compliance of Listing Agreement. Since G.P. Surana was in urgent need of money to tide over the company's liquidity crunch, he entered into a transaction in haste with Jagdish Patel who agreed to purchase the shares of the company for a sum of Rs.62.5 Lakh with the condition that the shares be delivered to him as soon as possible, without confirming his ability to pay or his past track record. Upon the execution of the deal, G.P. Surana delivered the shares to Jagdish Patel. However, Jagdish Patel failed to pay the consideration amount within the stipulated time. G.P. Surana suffered losses in the transaction and he cannot be held responsible for the failure of a third party to meet his obligations.
- (d) The transfer of shares of PMTL to Jagdish Patel by G.P. Surana was a business decision and he was not aware of the end use of shares by him. G.P. Surana had no role to play in the trading done by Ahmedabad Group and he was not even aware of the same.
- (e) As regards the transfer of Rs.10 Lakh to Daivik Jatin Shah and Rs.1 Crore to Saurin Pravinbhai Shah by G.P. Surana's firm PM Telecom, which on receipt by the two entities was allegedly transferred to brokers to meet the pay in obligation or transferred to other members of the Ahmedabad Group, the Noticees submit that G.P. Surana along with Dipin Surana and Ravi Surana are the authorized signatories in PM Telecom. However, G.P. Surana took all day to day decisions for PM Telecom and was responsible for all decisions. In this regard, in so far as transfer of Rs.10 Lakh to

daivik Shah is concerned, the same was done as loan to Daivik Shah in the normal course of business and no adverse inference should be drawn in respect of the same. The transfer of Rs.1 Crore to Saurin P. Shah was also a loan, out of which the Noticees have already received Rs.14 lakh and are in the process of receiving the balance amount shortly. Regarding the allegation that the said amounts were used to meet the pay-in obligations by Daivik Shah and Saurin Shah, the Noticees are not aware of the same and are not responsible for such use by Daivik Shah and Saurin Shah. No adverse inference should be drawn from the same. The funds transferred to the said two Ahmedabad Group entities were either before the period of investigation or at the time when the price of PMTL was already quite high. The allegation that the Noticees induced other Noticees to trade in the scrip of PMTL by providing funds with an objective to inflate prices defies logic. The act of giving loan to Saurin Shah cannot be alleged to have induced trading in scrip of PMTL, since much of the trading was already done prior to the loan being given. The SCN does not specifically allege that the amounts received by the said two entities have been utilized for purchase of shares of PMTL specifically. It merely alleges that money so received was majorly either transferred to brokers to meet pay-in obligation or transferred to the other members of the Ahmedabad Group.

- (f) The Noticees had no role whatsoever to play in the trading done by the Ahmedabad Group and they are neither aware nor responsible for the same.
- (g) Except the transactions between G.P. Surana and the three persons, viz. Jagdish Patel, Daivik Shah and Saurin Shah, the Noticees never had any transaction with any other entity which was allegedly part of the Ahmedabad Group. There is no direct or indirect connection established in the SCN between the Noticees and the Ahmedabad Group.
- (h) The Noticees had no role to play in any price rise or creation of artificial volume during the investigation period. There were only two transactions for 30 shares in the account of G.P. Surana (buy and sell of 15 shares on the same day) during the period under investigation, which were done unintentionally. This was a freak trade by his broker as he had punched a wrong client code. As soon as G.P. Surana was informed by the broker, he immediately directed him to reverse the position which was done. Thus, he

cannot be alleged to have violated the provisions of SCRA and clauses of Model Code of Conduct for Prevention of Insider Trading, as alleged in the SCN.

- (i) The Noticees did not make any profit. They sold only a minuscule quantity of shares at low prices during the investigation period and continue to hold shares. If the Noticees were involved in the manipulations, they could have sold the entire holding at much higher prices during the period of price rise.
- (j) As regards the alleged violation of the provisions of regulation 30(2) the SAST Regulations, the new SAST Regulations, 2011 were notified in September 2011 and April 2012 was the first year wherein disclosures were required to be filed with the stock exchange also, apart from disclosures to the company, as stipulated under the SAST Regulations, 1997. In the year 2012, while the promoters filed disclosures with the company as per the format under SAST Regulations, 1997 which reflected their shareholding, filing of disclosures with the stock exchanges skipped their attention. The same was unintentional and there was no malafide intention behind it. Further, the disclosure under Clause 35 of the Listing Agreement filed by PMTL for the quarter ending March 31, 2012 disclosed the Noticees' shareholding as part of the Promoter & Promoter Group. Further, the said disclosure under regulation 30(2) has now been made for the year ended March 31, 2012, after the receipt of the SCN.
- (k) As regards the alleged violation of provisions regulation 13(4A) of the PIT Regulations by Dipin Surana in respect of sale of shares by him in August 2012, as mentioned in the SCN, PMTL had intimated BSE on July 19, 2012 that the promoters intended to sell a part of their holding as a result of which their holding would come down to 41.44% from 49.75%. The said intimation was filed by the company with BSE only after Dipin Surana had intimated his intention to sell some of the shares held by him. The company also reflected the same shareholding pattern for the quarter ending September 2012. Dipin Surana disclosed the details of his shareholding on quarterly basis under regulation 8(2) of the SAST Regulations, 1997 to the company and the company disclosed the same to the exchange under regulation 8(3). Though the disclosures were not in the prescribed format, the same establishes that Dipin Surana did not have any malafide intention to conceal the information from the retail investors. Further, the monies realized after the sale of shares were not used by him

for any personal gain but were used for another listed company, Golconda Engineering Enterprise Ltd. which needed fund urgently. Dipin Surana has now made disclosures relating the said transactions under the PIT Regulations after receipt of the SCN, and therefore, as on date, no violation persists. There was no intention to conceal the information from investors.

- (l) The SCN has wrongly clubbed the Noticees with other entities who have executed huge trades in the scrip of PMTL and have carried out manipulative trades. They deny that they have induced other Noticees to deal in the securities of PMTL during the investigation period to inflate the price of the scrip.

CONSIDERATION:

61. I have examined the facts of the case and the allegations against the Noticees, as mentioned in the SCN, and have considered the detailed submissions made by Noticee nos. 6 to 9 (viz. Daivik Jatin Shah, Ravi Surana, G.P. Surana and Dipin Surana) in their defence, which have been taken on record. As regards the rest of the Noticees, I note while the Noticee no. 1 has made only certain cursory submissions during the personal hearing, the Noticee nos. 2, 3, 4, 5, and 10 (viz. Saurin Pravinbhai Shah, Bhavini Vijaykumar Shah, Shah Jipal Pineshkumar, Jagdish Ramanlal Patel and Hema Govindbhai Patel) have either not responded to the SCN or simply denied the allegations in general, without making any submission on merit. Since sufficient opportunities to present their case before me have already been provided to all the Noticees, I proceed to decide the matter at hand by taking into consideration the material on record, including the submissions, if any, of the Noticees. Further, since the charges in the SCN pertain to manipulations in two different scrips, the same have been dealt with scrip wise, one by one.

P.M. Telelinnks Limited (PMTL)

62. I note that in respect of the scrip of PMTL, in the paragraphs 3 to 25 above, the detailed findings of the investigations, as recorded in the SCN, bring out as to how manipulative transactions were carried out in the scrip by various entities, including the Noticee nos. 1 to 6 and 10, who were part of 'the Ahmedabad Group', as defined in the Table under para

8 above. Further, the said Ahmedabad Group entities were allegedly part of a larger group of 'Suspected Entities' who are alleged to have played a role in the entire manipulation in the scrip. The Noticee nos. 7 to 9, which are defined as 'Surana Group' entities, together with the Ahmedabad Group entities constitute the said Suspected Entities. It is alleged in the SCN that while the Ahmedabad Group entities, which include the Noticee nos. 1 to 6 and 10, had executed the manipulative trades in question, the Surana Group entities, comprising of Noticee nos. 7 to 9 had induced the Ahmedabad Group entities to execute such manipulative trades.

63. I note that in paras 3 to 25 above, it has already been brought out in great detail as to how the trades of Noticee nos. 1 to 6 and 10 had created artificial volume and manipulated the price of the scrip. It has been brought out therein as to how these entities were connected to each other, had executed self-trades and synchronized trades and had artificially inflated the price of the scrip through first trades and by placing orders at incremental prices thereby establishing New High Price (NHP) and raising the LTP. The same are self-explanatory and need no further elaboration. However, none of the said Noticees, except the Noticee nos. 1 & 6, has provided any explanation or defence in respect of the same.
64. In the above respect, the Noticee no. 1 has defended himself by merely contending that one Jatin Shah was the real culprit who had used his and others' signatures and demat accounts for his personal trades. However, he has not submitted any corroborative evidence in support of the same. Thus, the defence of the Noticee no. 1 appears flimsy and cannot be relied upon.
65. As regards the Noticee no. 6, I note that he has contended that there is no allegation of self-trades or synchronized trades against him in the SCN. He has further denied the allegation against him that he was connected to the Ahmedabad Group entities through a common telephone number and fund movements between and that he acted in tandem with entities of Ahmedabad Group to artificially inflate the price of the scrip of PMTL by trading above LTP. In this regard, he has contended that he is unaware about the phone number in question and that the fund transfers between him and the Ahmedabad Group

entities were primarily in the form of loans and their repayments. I note that paras 15 to 25 above have already brought out details of how Noticee no. 6, along with other entities of Ahmedabad Group, had influenced the price of the scrip through his trades. Further, though Noticee no. 6 has contended that his bank transactions with other entities of the Ahmedabad Group were primarily loan transactions and their repayments, the said explanation does not appear plausible in the absence of sufficient corroborative evidences. I have considered the submissions of the Noticee but find them to be grossly unsatisfactory and implausible.

66. As regards the Noticee nos. 7 to 9, the primary allegation against them in the SCN is that being the promoters of PMTL, they had aided and abetted the entities of the Ahmedabad Group by inducing them to carry out the alleged manipulative trades in the scrip of PMTL. It has been alleged that G.P. Surana (Noticee no. 8) had transferred 2,50,000 shares of PMTL in off-market to Jagdish Ramanlal Patel (Noticee no. 5), an entity of the Ahmedabad Group, without any consideration. Further, a firm belonging to Noticee nos. 7 to 9 had transferred Rs.10 Lakh to Daivik Jatin Shah (Noticee no. 6) and Rs.1 Crore to Saurin Pravinbhai Chah (Noticee no. 2), both of whom were part of Ahmedabad Group entities. The investigation had found that the money so received by the two entities was majorly either transferred to brokers to meet the pay-in obligation or transferred to other members of the Ahmedabad Group. It is alleged that the abovementioned transactions by the noticee nos. 7 to 9, involving transfer of shares and funds to entities of the Ahmedabad Group was aimed at inducing them to deal in the scrip of PMTL with an object of inflating the price of the scrip.
67. While the trades of the Ahmedabad Group entities have already been found to be manipulative and fraudulent, the issue which needs to be looked into is whether the Noticee nos. 7 to 9 had induced these entities to carry out such trades, by providing them with funds and securities in off-market. In this regard, the Noticee nos. 7 to 9 have contended that the transfer of 2.5 Lakh shares by G.P. Surana to Jagdish Patel was done by him on his own in the off-market for an agreed consideration amount of Rs.62.5 Lakh to meet the urgent requirements of funds. They further contended that the said deal did

not materialize as Jagdish Patel failed to pay the consideration amount and that no negative inferences should be drawn in this regard. They have also contended that the decision to give Rs.10 Lakh to Daivik Shah and Rs.1 Crore to Saurin P. Shah (entities of Ahmedabad Group) was taken entirely by G.P. Surana, who had advanced these amounts as loans to these entities. According to Noticee nos. 7 to 9, they cannot be held responsible for how the said shares and funds were ultimately utilized by the recipient entities.

68. I have considered the submissions of the Noticee nos. 7 to 9 as mentioned above. At the outset, I find that the Noticee's contention that only G.P. Surana was responsible for the said transfer of shares and funds to the entities of Ahmedabad Group does not appear to be reliable. It is noted that the Noticee nos. 7 to 9 are the promoters of PMTL and appear to be closely connected / related to each other. It is noted that the firm which transferred funds to Daivik Shah and Saurin P. Shah had all the said three Noticees as its authorized signatories. Even if for a moment it is accepted that the transfer of shares by G.P. Surana to Jagdish Patel was done entirely by himself, without the involvement of Noticee no. 7 and 9, the said Noticees cannot shrug off their responsibility in respect of transfer of funds to Daivik Shah and Saurin Shah by a firm where all the three Noticees were authorized signatories. It merely reflects an attempt by G.P. Surana (Noticee no. 8) to shield Noticee nos. 7 & 9 by owning up entire responsibility. Further, the close connection between the Noticee nos. 7 to 9 leads to a firm belief that all the three Noticees were acting in tandem with each other.
69. Coming to the next issue of whether the transfers of shares and funds to the entities of the Ahmedabad Group, as mentioned above, were aimed at inducing them to carry out manipulative trades and artificial price inflation in the scrip of PMTL, I note that the Noticee nos. 7 to 9 have failed to substantiate their claims that the above-mentioned transfer of shares and funds were genuine sale transactions and loan transactions. The Noticees have failed to provide sufficient documentary evidences in support of their contentions. G.P. Surana has forwarded a copy of the DIS Slip used by him for transfer of 2.5 Lakh Shares to Jagdish Patel and has contended that the same mentions a consideration amount of Rs.62.5 lakhs to be paid by the transferee. However, on closer

examination of the same, I do not find any figure of such nature mentioned therein as the consideration amount. The Noticee nos. 7 to 9 have contended that the transfer of a total sum Rs.1 Crore to Saurin P. Shah was a loan transaction pursuant to an oral agreement between them. I find that it is highly improbable that such large sums were advanced merely on the basis of an oral agreement. Further, all through their replies, the Noticees have referred to the financial difficulties faced by them at various stages. Given the same, it is equally highly improbable that the entities which were themselves in need of money would advance huge loans to others, that too on the basis of oral agreements. Thus, I find that the submissions of the Noticee nos. 7 to 9 do not inspire much confidence and are not trust worthy. The nature of the transactions between them and the Ahmedabad Group entities and the surrounding circumstances clearly indicate that the Noticee nos. 7 to 9 by providing shares and funds to the entities of Ahmedabad Group had induced them to deal in the scrip of PMTL in a fraudulent and manipulative manner.

70. In view of the abovementioned observations and findings, I conclude that the Noticee nos. 1 to 5 have violated the provisions of regulation 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) & (g) of the PFUTP Regulations 2003 and the Noticee nos. 6 and 10 have violated regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) & (e) of the PFUTP Regulations 2003. I further conclude that the Noticee nos. 7 to 9 have violated regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) and (d) of the PFUTP Regulations, 2003.

71. The abovementioned provisions of the PFUTP Regulations, 2003 read as follows:

“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;

72. As regards the other charges in the SCN in respect of various Noticees, I note from that the Noticee no. 8 (G.P. Surana) is alleged to have violated Clause 4.2 of the Code of Conduct adopted by PMTL to prevent insider trading, read with regulation 12(1) of the PIT Regulations. I note that Clause 4.2 of the Model Code of Conduct For Prevention of Insider Trading For Listed Companies prescribed under regulation 12(1) of the PIT Regulations provides *inter alia* that all directors of a company who buy or sell any number of shares of the company shall not enter into an opposite transaction during the next six months following the prior transaction. I further note that the allegations of violation of the said Clause 4.2 against G.P. Surana has arisen on account of his purchase and sale on 15 shares of PMTL on the same date during the investigation period. In this regard, I have considered the submissions of the Noticee that it was a freak trade which had happened due to an error on part of the stock broker. Considering the same and also taking note of the fact the shares involved in the said transactions were limited to a minuscule quantity of 15 shares, I accept the Noticee's plea in this regard and thus drop the said charges against him.
73. The SCN also alleges that G.P. Surana (Noticee no. 8) transferred 2,50,000 shares of PMTL to Jagdish Ramanlal Patel (Noticee no. 5) on June 28, 2011 in off-market, without any consideration, which resulted in violations of the provisions of Section 13, 16, and 18 read

with Section 2(i) of the SCRA by them. The abovementioned provisions of the SCRA read as under:

SCRA

“2. (i) “spot delivery contract” means a contract which provides for,-

(a) actual delivery of securities and the payment of a price therefor either on the same day as the date of the contract or on the next day, the actual period taken for the despatch of the securities or the remittance of money therefor through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality;

(b) transfer of the securities by the depository from the account of a beneficial owner to the account of another beneficial owner when such securities are dealt with by a depository;

Contracts in notified areas illegal in certain circumstances.

13. If the Central Government is satisfied, having regard to the nature or the volume of transactions in securities in any State or States or area that it is necessary so to do, it may, by notification in the Official Gazette, declared this section to apply to such State or States or area, and thereupon every contract in such State or States or area which is entered into after the date of the notification otherwise than between members of a recognised stock exchange or recognised stock exchanges in such State or States or area or through or with such member shall be illegal :

Power to prohibit contracts in certain cases.

16. (1) If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein.

(2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of notification issued thereunder shall be illegal.

Exclusion of spot delivery contracts from sections 13, 14, 15 and 17.

18. (1) Nothing contained in sections 13, 14, 15 and 17 shall apply to spot delivery contracts.

(2) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control the business of dealing in spot delivery contracts also in any State or area (whether section 13 has been declared to apply to that State or area or not), it may, by notification in the Official Gazette, declare that the provisions of section 17 shall also apply to such State or area in respect of spot delivery contracts generally or in respect of spot delivery contracts for the sale or purchase of such securities as may be specified in the notification, and may also specify the manner in which, and the extent to which, the provisions of that section shall so apply.”

74. I note that under the abovementioned provisions, an off-market sale or purchase of securities is prohibited unless it is a spot delivery contract, as defined under Section 2(i) of the SCRA. In a spot delivery contract, the actual delivery of the securities and the payment of price therefor has to be completed on the same day as the date of the contract or the next day. In the instant case, G.P. Surana had transferred 2,50,000 shares of PMTL to Jagdish Ramanlal Patel on June 28, 2011. However, no consideration was paid by Jagdish Ramanlal Patel to G.P. Surana within the stipulated time. I have gone through the submissions made by G.P. Surana in this regard. He has contended that he had transferred the said securities to Jagdish Patel for an agreed sum of Rs.62.50 Lakh and that he had done so without confirming Jagdish Patel's ability to pay the consideration amount. He has further contended that since Jagdish Patel failed to fulfil his obligation to pay the consideration amount, G.P. Surana should not be held accountable for the lapse. I note that while G.P. Surana has contended that he had transferred the shares to Jagdish Patel for a price of Rs.62.50 Lakh under a deal, he has failed to produce sufficient documentary evidence in support of the same. Further, even assuming that G.P. Surana and Jagdish Patel had entered into such a deal, the same does not absolve either party to the transaction from the liability arising out of non-fulfilment of conditions stipulated for a spot delivery contract. Spot delivery contracts are strictly defined under Section 2(i) of the SCRA and the conditions provided therein have to be followed strictly by both the parties executing such contracts, failing which a contract does not qualify as a spot delivery contract. Further, once G.P. Surana (Noticee no. 8) has admitted that he did not verify Jagdish Patel's ability to pay the consideration amount, he cannot claim immunity from the liability arising out

of Jagdish Patel's failure to pay the consideration amount for the shares within the stipulated time. Even further, considering the role of Jagdish Patel and G.P. Surana in the entire manipulation, as established above, the explanations offered by G.P. Surana do not appear plausible. I note that Jagdish Patel has not offered any explanation in respect of the abovementioned charges. In view of the above, I conclude that Jagdish Patel (Noticee no. 5) and G.P. Surana (Noticee no. 8), by entering in to a transaction as mentioned above, have violated the provisions of Section 13, 16 & 18 read with Section 2(i) of the SCRA.

75. As per the SCN, the Noticee nos. 7 to 9 are also alleged to have violated provisions of regulation 30(2) of the SAST Regulations, 2011. Regulation 30(2) read with regulation 30(3) of the SAST Regulations, 2011 provides that the promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of thirty-first day of March, in the target company in the prescribed format to the stock exchange and to the target company, within 7 working days from the end of each financial year. However, the Noticee nos. 7 to 9, who were part of the promoter entities, failed to disclose their shareholding, as on March 31, 2012, to the company and to the exchange (BSE), in terms of regulation 30(2) read with 30(3) of the SAST Regulations, as confirmed by the company and the BSE.
76. In the above regard, I note that while the Noticee nos. 7 to 9 have contended that they had filed disclosures with the company (PMTL) as per format specified under SAST Regulations, 1997, they have admitted that they had unintentionally missed filing the disclosure to the exchange under SAST Regulations, 2011. They have further contended that PMTL had filed appropriate disclosure to the exchange under Clause 35 of the Listing Agreement, wherein the shareholding pattern of the promoters, as on March 31, 2012 was disclosed. They have also submitted that they have made required disclosures in the prescribed format after receiving the SCN. The Noticee nos. 7 to 9 have thus contended that there was no violation of the provisions of regulation 30(2) read with 30(3) of SAST Regulations, 2011 on their part. I have considered the submissions made by the Noticees in this regard. I note that the obligation on promoters to file disclosures to the company and to the exchange under the provisions of the SAST Regulations is independent of the

obligation of a company to file disclosures to the exchange under Listing Agreement. Filing of disclosure under one provision does not discharge the disclosure liability of other under a different provision. Thus, I conclude that by not filing the required disclosures in respect of their shareholding as on March 31, 2012, the Noticee nos. 7 to 9 have violated the provisions of regulation 30(2) read with 30(3) of the SAST Regulations, 2011.

77. The SCN also alleges that Dipin Surana (Noticee no. 9) has violated the provisions of regulation 13(4A) of the PIT Regulations. Regulation 13(4A) of the PIT Regulations provides the following:

“Any person who is a promoter or part of promoter group of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure made under Listing Agreement or under sub-regulation (2A) or under this sub-regulation, and the change exceeds Rs.5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.”

78. As per the SCN, the shareholding of Dipin Surana (Noticee no. 9), a promoter entity, had changed on various occasions for which he was required to make disclosures under regulation 13(4A) of the PIT Regulations, which he failed to do. The details of the change in shareholding are provided in the Table under para 26 above. In this regard, Dipin Surana has contended that before the said changes in shareholding, the promoters had informed PMTL about their intention to sell shares of the company, which in turn was informed by PMTL to the exchange (BSE). The said intimation from PMTL to BSE also contained a revised shareholding pattern, after the proposed sale. Adequate disclosures regarding the intention to sell as well as sale of his shares were also made by him to the company which in turn reflected the same in the shareholding pattern of the quarter ending September 2012. The Noticee has further submitted that he had disclosed the details of his shareholding on quarterly basis under regulation 8(2) of the SAST Regulations, 1997 to PMTL and PMTL disclosed the same to the exchange on quarterly basis under regulation 8(3) of the SAST Regulations, 1997 and that the said reports reveal the said changes in

shareholding between June 2012 and September 2012. The Noticee has further submitted that the said required disclosures under the PIT Regulations have been made after the receipt of the SCN.

79. I have considered the submissions made by the Noticee, Dipin Surana. I note that he has primarily contended that the disclosures made to the company by the promoters of their intention to sell shares as well as quarterly disclosures made by him to the company under regulation 8(2) of the SAST Regulations, 1997 and those made by the company to the exchange under 8(3) of the SAST Regulations suffice for the disclosures required to be made under regulation 13(4A) of the PIT Regulations. However, I note that, as stated earlier, the disclosure made under one regulation does not discharge the liability to make disclosures under another regulation. The disclosure requirements under different provisions / regulations have their own individual sanctity and have to be mandatorily discharged independent of each other. In this regard, it is pertinent to note that the disclosures under regulation 13(4A) have to be made by the promoter to the exchange within 2 working days of sale / purchase, whereas the disclosures required to be made under regulation 8(2) & 8(3) of the SAST Regulations, 1997 are yearly in nature. Thus, the disclosures under one regulation would not suffice for those required to be made under another regulation. In view of the above, I find that by failing to disclose to the exchange the changes in his shareholding, as mentioned in the SCN, Dipin Surana (Noticee no. 9) has violated the provisions of regulation 13(4A) of the PIT Regulations.

8K Miles Software Solutions Limited (8KMiles):

80. Having decided on the allegations against the Noticees in respect of the scrip of PMTL, I now proceed to decide on the allegations pertaining to the scrip of 8KMiles. I note that in respect of the scrip of 8KMiles, in paragraphs 33 to 55 above, the findings of the investigations as recorded in the SCN, bring out the details of the manipulations carried out in the scrip by the Noticee nos. 1, 2, 4, 5 and 10, who were part of 'the Ahmedabad Group', as defined in the Table under para 40 above. In the said paragraphs, it has already been brought out in detail as to how the trades of Noticee nos. 1, 2, 4, 5 and 10, who were

connected to each other, had artificially inflated the price of the scrip through first trades and by placing orders at incremental prices thereby establishing New High Price (NHP) and raising the LTP. The same are self-explanatory and need no further elaboration. However, none of the said Noticees, except the Noticee no. 1, has provided any explanation or defence in respect of the same. Even the submissions made by the Noticee no. 1 are perfunctory in nature as he has merely contended that one Jatin Shah was the real culprit who had used his and others' signatures and demat accounts for his personal trades. However, as mentioned above, he has not submitted any corroborative evidence in support of the same and has not made any submissions on merit. Thus, the defence of the Noticee no. 1 appears flimsy and cannot be relied upon. Since the other Noticees (i.e. nos. 2, 4, 5 and 10) have either not responded to the SCN or have not made any submission on merit, except generally denying the allegations, the *prima facie* findings of the investigation against them in respect of the scrip of 8KMiles stand proved.

81. In view of the above, I conclude that the allegations of violation of the provisions of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (e) of the PFUTP Regulations, 2003 against Noticee nos. 1, 2, 4, 5 and 10 stand established.
82. Since there are no allegations against the Noticee nos. 3, 6, 7, 8 and 9 in respect of the scrip of 8KMiles, I don't find any need to make any observations pertaining to them in this respect.

DIRECTIONS:

83. In view of the above, in order to protect the interest of investors and the integrity of the securities market, I, in exercise of powers conferred upon me under Section 19 read with Sections 11, 11(4) and 11B of the SEBI Act, 1992 and regulation 11 of the PFUTP Regulations, hereby restrain the Noticee nos. 1 to 10 from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, either directly or indirectly, for a period of six years. However, considering the fact that Noticee nos. 1 to 10 have been undergoing such debarment since April 18, 2013 by virtue of directions issued vide the Interim Order dated April 18, 2013 read with Confirmatory

Order dated December 30, 2013, the period of debarment already undergone by the Noticees shall be set off against the debarment period of six years, as imposed above.

84. The above directions shall come into force with immediate effect. A copy of this order shall be served upon the stock exchanges and the depositories for necessary action and compliance.

DATE: JANUARY 01, 2019

PLACE: MUMBAI

G. MAHALINGAM

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA