BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/S./2022-23/23302-23316]

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

In respect of:

Noticee No	Noticee Name	PAN
1.	Nishant Jain	ADBPJ0618B
2.	Pradeep Kumar Jain	ACAPJ1260F
3.	Dharmendra Kumar Jain	ADBPJ4242K
4.	Dharmendra Jain HUF	AAGHD2552J
5.	Jaipur Infragold Private Limited	AACCJ8693D
6.	Rajiv Maheshwari	AAAPM1959Q
7.	Babulal Hansraj Lakhani	AMVPL4417B
8.	Ramanlal Ravchand Shah	GDWPS4583K
9.	Vinod Solanki	DMKPS4150Q
10.	Bhagavatiben Vishnubhai Patel	CYBPP2362R
11.	Dhirajbhai Baladevji Thakor	ATJPT1108Q
12.	Bharti Sharma	CZTPS4626L
13.	Pinesh Nareshkumar Shah	ANEPS6388L
14.	Jasmin Indu Shah	FQYPS5187R
15.	Mahendrabhai Naranbhai Patel	DHGPP1260K

*(hereinafter collectively referred to as "**Noticees**")*

In the matter of **BFL Asset Finvest Limited (Formerly known as BFL Developers Ltd.)**

BACKGROUND

1. Securities and Exchange Board of India (**SEBI**) conducted investigation into the trading activity in the scrip of BFL Asset Finvest Limited (hereinafter referred to as '**BAFL/BFL/the Company**') during the period from February 22, 2016 to June 01, 2017 (hereinafter referred to as '**investigation period**'). The shares of the BAFL are listed in the BSE Ltd (hereinafter referred to as "**BSE**") with effect from February 18, 2016. On conclusion of the investigation,

SEBI observed certain violations of provisions of, *inter-alia,* Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations'**) by Noticees. Thereafter, SEBI initiated adjudication proceedings against Noticees under Section 15HA of SEBI Act.

APPOINTMENT OF ADJUDICATING OFFICER

2. Vide communique dated May 12, 2021, SEBI appointed the undersigned as the Adjudicating Officer under Section 15-I of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under:-

   2.1. Section 15HA of SEBI Act, the alleged violation of Section 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations by Noticees 1 to 15;

   2.2. Section 15HA of SEBI Act, the alleged violation of Sections 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and (g) of PFUTP Regulations by Noticees 7 to 15;

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A common show-cause notice dated March 14, 2022 (hereinafter referred to as '**SCN'**) was issued to all Noticees under the provisions of Rule 4(1) of the Adjudication Rules, to show-cause as to why an inquiry should not be held against them and why penalty, if any, not be imposed on them under Section 15HA of SEBI Act, as applicable, for the aforesaid violations alleged to have been committed by them.

4. The allegations levelled against Noticees in the SCN are given below:

   4.1. *Noticees 1, 5 and 2 contributed to artificial market volumes and by indulging in trades that were in the form of synchronized trades to give a false and misleading appearance of trading in the scrip at BSE, Noticees 1, 2 and 5 are alleged to have violated the provisions of Section 12A(a), (b), (c) of SEBI Act and Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) of PFUTP Regulations*.

4.2. *Synchronized, circular and reversal trades indulged by Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Jasmin Indu Shah (Noticee 14), Bhagavatiben Vishnubhai Patel (Noticee 10), Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13) and Mahendrabhai Naranbhai Patel (Noticee 15) significantly contributed to the total volume of synchronized, reversal and circular trades. These synchronized, circular and reversal trades indulged by the aforesaid 9 Noticees did not result in change in beneficial ownership. It was therefore alleged that the trades by the aforesaid 9 Noticees created misleading appearance of trading in the scrip. Further, it was alleged since the nature of trades executed by the aforesaid 9 entities were not routine normal trades but were only sham trades, such trades had the effect of creating an artificial volume in the market.*

4.3. *It is, therefore, alleged that by indulging in trades that were in the form of synchronized, circular and reversal trades, the aforesaid 9 Noticees who are part of Group II entities have given a false and misleading appearance of trading in the scrip at BSE and as such, these entities are considered to have executed manipulative trades and manipulated the volume of the scrip during the investigation period. Therefore, it is alleged that by indulging in synchronized trades that created a misleading appearance of trading in the scrip of BFL, the Group II entities, i.e, Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Jasmin Indu Shah (Noticee 14), Bhagavatiben Vishnubhai Patel (Noticee 10), Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13) and Mahendrabhai Naranbhai Patel (Noticee 15) have violated the provisions of Section 12A (a), (b), (c) of SEBI Act, Regulations 3 (a), (b), (c), (d), 4(1), 4(2) (a) of PFUTP Regulations. Further, it is also alleged that by indulging in reversal and circular trades that did not result in change of beneficial ownership and created a misleading appearance of trading in the scrip, Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Jasmin Indu Shah (Noticee 14), Bhagavatiben Vishnubhai Patel (Noticee 10), Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13) and Mahendrabhai Naranbhai Patel (Noticee 15) have violated the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and (g) of PFUTP Regulations.*

4.4. *By executing trades of miniscule quantity in a sustained manner for a considerable period wherein such miniscule quantities were the only trades executed for the major part of the said period, such trades were not genuine and were executed only with a manipulative intent to maintain and sustain the scrip price. It is therefore alleged that the trades of Nishant Jain (Noticee 1) and Jaipur Infragold Private Limited (Noticee 5) were manipulative in nature. therefore, it is alleged that Noticees 1 and 5 violated Section 12A(a), (b), (c) of SEBI Act and Regulations 3 (a), (b), (c), (d) and 4(1) & 4(2)(a) and (e) of PFUTP Regulations.*

4.5. *Rajiv Maheshwari (Noticee 6), he had placed first order for the day and had bought miniscule quantity at rate higher than LTP. During the investigation period, the market positive LTP was Rs. 117.5, out of which Rajiv Maheshwari (Noticee 6) had contributed Rs. 5.08 through 7 trades. I also observe that Rajiv Maheshwari (Noticee 6) had placed orders for purchase on seven distinctive days with miniscule quantity on each day and further, he had placed orders first every day and that too by increasing its price each day compared to its previous day's price and for all these days, the counter party seller was one of the Group I entities only. On account of the aforesaid trading pattern analysis, it is alleged that Rajiv Maheshwari (Noticee 6) had carried out manipulative trades by increasing the price of the scrip of BFL. Therefore, it is alleged that Rajiv Maheshwari (Noticee 6) has violated provisions of Section 12A (a), (b), (c) of SEBI Act, Regulations 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.*

4.6. *From LTP analysis for Patch 2(January 28, 2017 to April 25, 2017), I observe that 6 out of 11 entities of Group II namely, Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Bharti Sharma (Noticee 12), Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Jasmin Indu Shah (Noticee 14) have contributed 23.91%, 21.74%, 13.04%, 13.04%, 9.24% and 5.98% respectively to net LTP. Vinod Solanki (Noticee 9) and Dhirajbhai Baladevji Thakor (Noticee 11) have also contributed 3.03% and 4.33% respectively to NHP. Hence, it has been alleged that, Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Bharti Sharma (Noticee 12), Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Jasmin Indu Shah (Noticee 14) had significantly contributed to price rise in the scrip by way of trading within the group and created a misleading appearance of trading in the scrip and hence violated provisions of Section 12A(a), (b), (c) of SEBI Act, Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) & (e) of PFUTP Regulations.*

4.7. *I observe that 2 suspected entities, viz. Dharmendra Kumar Jain (Noticee 3) and Pradeep Kumar Jain (Noticee 2) contributed 13.79% and 23.79%, respectively, to market positive LTP. The entities contributed 17.08% and 10.93% respectively to net LTP. Further, Pradeep Kumar Jain (Noticee 2) and Dharmendra Kumar Jain (Noticee 3) contributed 13.83% and 18.72% to the market NHP. Also, Pradeep Kumar Jain (Noticee 2) and Dharmendra Kumar Jain (Noticee 3) were involved in first trades contributing to Rs. 4.55 and Rs. 1.50 of positive LTP. I also observe that the aforesaid two noticee 2 and 3 contributed 12.84% to buy volume and 12.56% to sell volume. Further, it was seen that the terminal user for the trades of Pradeep Kumar Jain (Noticee 2), trading through Tradeswift Broking Pvt. Ltd., was suspected entity, Nishant Jain (Noticee 1), who was also one of the promoters and directors of Tradeswift Broking Pvt. Ltd.*

4.8. *Therefore, in view of the aforesaid observations and analyses, it is alleged that the entities namely Dharmendra Kumar Jain (Noticee 3) and Pradeep Kumar Jain (Noticee 2) manipulated the scrip price on BSE and thus indulged in an act which created false or misleading appearance of trading in the scrip, thereby violating Section 12A(a), (b), (c) of SEBI Act and Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) & (e) of PFUTP Regulations.*

4.9. *From the LTP analysis, I observe that the entities of Group II namely, Dhirajbhai Baladevji Thakor (Noticee 11) and Ramanlal Ravchand Shah (Noticee 8) contributed 21.87% and 9.57% respectively to net LTP. The aforesaid entities contributed 18.72% and 8.09% respectively to NHP and in first trades, increased price by Rs. 4.55 and Rs. 0.75 respectively.*

4.10. *In view of the foregoing, it is alleged that Noticees 7 to 15, through their trades contributed significantly to the price variation in the scrip during the three patches and by executing such trades the aforesaid entities manipulated the price of scrip of BFL-I on BSE and thus indulged in an act which created false or misleading appearance of trading in the scrip. Hence, it is alleged that, Noticees 7 to 15, had significantly contributed to price rise in the scrip by way of trading within the group and created a misleading appearance of trading in the scrip through manipulative trades among themselves, thereby violating provisions of Section 12A(a), (b), (c) of SEBI Act, Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) & (e) of PFUTP Regulations.*

5. The SCN was sent to Noticees through Speed Post Acknowledgement Due (hereinafter referred to as '**SPAD**') on March 14, 2022 and duly served upon all Noticees vide digitally signed email dated March 16, 2022.
6. In the interest of natural justice, opportunity of personal hearing was granted to Noticees. The status of the delivery of SCN and Hearing Notices and the hearings, if any, held in the matter is given as under: -

DETAILS OF OPPORTUNITY OF PERSONAL HEARING WERE GRANTED TO NOTICEES

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
1.	Nishant Jain	SPAD delivered.	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Hearing completed.
2.	Pradeep Kumar Jain	SPAD delivered.	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Hearing completed.
3.	Dharmendra Kumar Jain	SPAD Delivered.	25/10/2022	04/11/2022	Email	Hearing completed.
4.	Dharmendra Kumar Jain	SPAD delivered.	25/10/2022	04/11/2022	Email	Hearing completed.

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
	HUF					
5.	Jaipur Infragold Private Limited	SPAD delivered.	31/10/2022	14/11/2022	SPAD Undelivered. Served upon Noticee by Newspaper publication on November 17, 2022 in Times of India (Jaipur edition) and Pratahkal (Jaipur edition).	Vide email dated December 22, 2022 Noticee requested for a copy of SCN which was earlier served upon it. As requested, Noticee was provided the SCN and Annexures threreto vide SEBI's email dated December 22, 2022, and vide SEBI's email dated December 23, 2022, Noticee was also granted a final opportunity of hearing on December 29, 2022. Noticee appeared for hearing on December 29, 2022. During the hearing, Authorised Representative requested for extension of time to submit Noticee's reply to the SCN. In the interest of natural justice, the said request of the Noticee was acceded to and the Noticee was granted a final opportunity of submitting reply to the SCN by January 12, 2023. Thereafter, the Noticee was granted another opportunity of hearing vide email dated January 02, 2023. During the hearing Noticee made oral submissions and
			14/11/2022	25/11/2022		
			23/12/2022	29/12/2022		

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
						sought another opportunity of submitting its reply. The Noticee's request was acceded to and Noticee was granted a final opportunity of filing its reply by January 16, 2023. The Noticee submitted its reply to the SCN vide its email dated January 17, 2023.
6.	Rajiv Maheshwari	SPAD Delivered.	31/10/2022	14/11/2022	Email	Noticee did not appear for hearing despite sufficient opportunities. Vide email dated November 02, 2022, Noticee stated that he does not wish to make any submission other than the submissions made in its reply to the SCN vide earlier email dated March 17, 2022. Noticee requested that his aforesaid reply may be accepted in lieu of hearing. Thus, Noticee stated that he did not wish to avail any opportunity of hearing in the matter.
7.	Babulal Hansraj Lakhani	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat	Noticee did not appear for hearing despite sufficient opportunities.

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
		edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).			Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	
8.	Ramanlal Ravchand Shah	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Noticee did not appear for hearing despite sufficient opportunities.
9.	Vinod Solanki	SPAD Delivered	31/10/2022	14/11/2022	SPAD Delivered	Noticee did not appear for hearing despite sufficient opportunities.
			14/11/2022	22/11/2022	SPAD Delivered	
10.	Bhagavatiben Vishnubhai Patel	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi	Noticee did not appear for hearing despite sufficient opportunities.

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
		edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).			edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	
11.	Dhirajbhai Baladevji Thakor	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Noticee did not appear for hearing despite sufficient opportunities.
12.	Bharti Sharma	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat	18/10/2022	03/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad	Noticee did not appear for hearing despite sufficient opportunities.

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
		Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).			edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	
13.	Pinesh Nareshkumar Shah	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	18/10/2022	04/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Noticee did not appear for hearing despite sufficient opportunities.
14.	Jasmin Indu Shah	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav	18/10/2022	04/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition)	Noticee did not appear for hearing despite sufficient opportunities.

Noticee No.	Noticee Name	SCN delivered through	Hearing Notice dates	Dates of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
		(Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).			and Dainik Jagran (Delhi edition).	
15.	Mahendrabhai Naranbhai Patel	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	18/10/2022	04/11/2022	SPAD undelivered. Served upon Noticee by Newspaper publication on October 22-23, 2022 in Times of India (Jaipur edition, Delhi edition and Ahmedabad edition), Gujarat Samachar (Ahmedabad edition), Gujarat Vaibhav (Ahmedabad edition), Pratahkal (Jaipur edition) and Dainik Jagran (Delhi edition).	Noticee did not appear for hearing despite sufficient opportunities.

7. I note that Noticee 1 has submitted his reply vide email dated November 18, 2022. Noticees 2, 3 and 4 vide separate letters dated May 17, 2022 submitted common reply. Noticee 6 has submitted its reply vide email and letter dated March 17, 2022 and November 11, 2022. I further note that Noticee 5 has submitted its reply vide email dated January 17, 2023. The relevant extracts of replies submitted by Noticees 1, 2, 3, 4, 5 and 6 are given below:

7.1. Reply of Noticee 1

a. *He was involved in the trading in the shares of BFL as investor and his transactions were only buying tractions, no sale has been made during investigation period and even after 3 years after the end of investigation period. He purchased only 93 shares during the investigation period. He was never involved in creating artificial market volume, synchronized trade, circular trading etc. in the shares of BFL.*

b. *During the investigation period, he had done trading from March 08, 2016 to January 16, 2017 and purchased only 93 shares i.e. 0.10% of total buying quantity of the BFL. There was no trade done by him during remaining investigation period and post investigation period.*
c. *He is connected with Nirmala Jain and Tradeswift Broking Private Limited as promoter and director. He holds only 200 shares in Jaipur Infragold Private Limited. He is not connected with Mr. Pradeep Jain and Mr. Sandeep Jain is not the designated director of Tradeswift Broking Private Limited.*
d. *He had not done any sell transaction during the entire investigation period.*
e. *He was involved in the trading as investor and did not indulge in synchronized trades. As per table 7 of SCN, he had traded only 71 shares i.e. 0.08% of market volume. The intension of the noticee no. 1 was not to contribute to the artificial volume and indulge in synchronized trades to give false or misleading appearance of trading.*
f. *The intention of the notice no. 1 was not to manipulate the price of the scrip.*
g. *Noticee admitted that he is the designated director and promoter of Tradeswift Broking Private Limited.*
h. *He has never intended to manipulate the price of the scrip BFL on BSE and not indulged in any act which created a false or misleading appearance of trading in the scrip. The violation of certain provisions of SEBI Act and PFUTP Regulations were not done intentionally.*
i. *Noticee No. 1 of SCN in terms of Rule 4 of the SEBI Adjudicating Rules read with section 15-I of SEBI Act and please do not impose any penalty under section 15HA of SEBI Act for the violations under PFUTP Regulation.*
j. *He wants to avail the settlement mechanism as provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018.*

7.2. Common replies of Noticees 2, 3 and 4

a. *Noticees 2, 3 and 4 denied the allegation levelled against them.*
b. *There has been a delay in issuance of SCN. The investigation period pertains to a period from February 22, 2016 to June 01, 2017 and the SCN is issued on March 14, 2022, i.e. almost 5 years from the investigation period. There has been an inordinate delay in issuance of SCN and the said delay is causing prejudice to them as it is difficult to collate the exact circumstance of 5 years back period.*
c. *Hon'ble SAT in its several orders has set aside the orders of SEBI solely on the basis of inordinate delay and latches in issuance of SCN. The several judgement of Hon'ble SAT have been upheld by the Hon'ble Supreme Court, by dismissing the appeal filed*

by SEBI. Noticees 2, 3 and 4 have placed reliance on the judgement of Hon'ble SAT in the matter of Ashok Shivlal Rupani v/s. SEBI (Appeal No. 417 of 2018 dated August 22, 2019), Anilkumar Nandkumar Harchandani & Ors. V.s SEBI (Appeal No. 75 of 2019, Order date December 05, 2019), Shriram Insight Share Brokers Ltd. (Appeal No. 559/2020, Order dated January 04, 2022), Rajiv Bhanot & Ors. Vs. SEBI (Appeal No. 396 of 2018, Order date July 09, 2021), Yatin Pandya vs. SEBI (Appeal No. 719 of 2021, Order date March 24, 2022)

d. *The investigation period mentioned in para 2 of SCN and para 4 of SCN are different. The investigation period mentioned in para 2 as December 08, 2016 to June 01, 2017 and in para 4 it is mentioned as February 22, 2016 to June 01, 2017.*
e. *SEBI has divided the investigation period into 3 patches for LTP variation even though the said period is continuous period. Instead of taking the entire period for analysis SEBI has divided the period into patches and cherry picked the entities just to frame charge for LTP variation against them.*
f. *They are not connected with any of the promoter or director of BFL and the same is not alleged in the SCN.*
g. *SEBI has formed a group of 10 entities and alleged us to be connected to these entities, to manipulate the scrip of BFL. They are not part of any so called group with an intent to manipulate the trading of the scrip of BFL.*
h. *The various entities who had traded in the scrip during the investigation period are not even made parties to the SCN, many counterparties to their trades are not made parties to the SCN. Few entities in alleged Group-I who had contributed to positive LTP, NHP, First Trade LTP has not been made party to SCN. Further, brokers are also not made party to the SCN. Not all the top 10 entities contributing to buy and sell concentration on BSE have been made part of SCN.*
i. *It is a well settled law that for any trade to be manipulative there has to be some meeting of minds and common intention, in absence of any connection or meeting of minds the allegations made against them in the SCN does not hold good. Thus, the investigation conducted by SEBI is biased and unjust in the eyes of law, as few similar placed entities are not even made parties to SCN. Noticees 2,3 and 4 have also placed reliance on the judgement of Yatin Pandya v/s. SEBI (Appeal No. 719/2021).*
j. *There has been no allegation against them for any form of manipulation such as synchronized trading, circular trading, reversal trading, off-market transfer etc. Further, no bank transfers with any of the connected entities was found. Also they have not alleged to be connected to the promoter, director etc. of the company.*

k. *They have been tagged as contributing to positive LTP of Rs. 0.65 in patch 2. They have been alleged for LTP variation and manipulation in the scrip. Many entities who had contributed to net positive LTP are not made parties to SCN.*
l. *SEBI should see that patches formed by SEBI is only to pump charges against Noticees, 2,3 and 4. SEBI should view the trades for the entire investigation period rather than viewing the patches.*
m. *Noticees 2,3, and 4 have further requested to provide Investigation Report of SEBI, BSE investigation report, UCC details and all other documents relied upon in the issuance of SCN*.

7.3. Reply of Noticee 5

a. *The company, through its director, was involved in the trading in the shares of BFL Asset Finvest Limited (BFL) as investor and the transactions were only sale transactions, no purchase has been made during investigation period and even after the end of investigation period. It has sold 3397 shares of BFL during the investigation period. It was never involved in creating artificial market volume, synchronized trade, circular trading etc. in the shares of BFL.*
b. *The investigation period as mentioned was from February 22, 2016 to June 1, 2017. During the investigation period, it had done trading from February, 2016 to January, 2017 and sold 3397 shares of the BFL. There were no trades done by it during remaining investigation period and post investigation period.*
c. *It was not connected to the entities mentioned in the Table 3 of SCN. Mr. Nishant Jain (Noticee No. 1) was shareholder of the company (Noticee No. 5) for 200 shares only and having no significant interest in the company. The company was connected to Tradeswift Broking Private Limited (Noticee No. 3) as client of the Broking Firm.*
d. *As per table 4 relating to quantum of trading done by Group I entities during investigation period, the trading volume done by Noticee No. 5 was only 3397 shares which was 3.63% of total sell quantity. The company has done only sell transaction and not involved in buying transaction of BFL during the whole period. However, there were no manipulative trades done by Nishant Jain and Noticee No. 5. There was no mala fide intention for the trades.*
e. *The company was involved in the trading as investor and did not indulge in synchronized trades. However, as per table 7, it has traded only 73 shares with Nishant Jain and Nirmala Jain i.e. 0.08% of market volume. All other 3324 Shares were sold in open market to non-identified parties on Screen based Trading. The intention was not to contribute to the artificial volume and indulge in synchronized*

trades to give false or misleading appearance of trading as alleged by the AO. Alleged manipulative trades of Nishant Jain, Nirmala Jain and Jaipur lnfragold Private Limited constituted only 0.08% of total volume in IP of the said scrip (BFL) and were executed on the trading terminal of Tradeswift Broking Private Limited but these trades were not done in order to manipulate trading volume.

f. BFL being less liquid scrip it is possible that new trades might get executed at positive LTP and NHP would be very high and trades might get executed between the same set of clients. The investigation has made just an assumption that the said trades have been executed by the Noticee to give false and misleading appearance of trading in the scrip of BFL at BSE but the fact is that such miniscule volume in any scrip cannot induce the investors to trade in the scrip.

g. No trade has been done by Noticee no. 5 after 31st January, 2017.

h. The trades done by Nishant Jain and Noticee no. 5 were mixed in nature i.e. positive LTP trades, Negative LTP Trades and Zero LTP trades. However the percentage of positive LTP trades was high and those trades were executed as normal trades and not with the intention for creating false volume and upsetting market equilibrium or to manipulate the price of the scrip. The trades in shares of BFL have been done by Noticees No. 1 & 5, without any mala fide intention.

i. The first trade was executed by Noticee No. 5 in the scrip of BFL by selling 100 quantity of shares which was matched with the already existing buy order placed by Waseem Ahmed, not related party.

j. It is the fact that Jaipur lnfragold Private Limited was holding 82500 shares of BFL in its Demat Account with CDSL as on 1st January, 2016. But quantity and frequency of the orders placed by the clients was not inconsistent with the liquidity prevailed at the counter of BFL at the relevant point of time. The trades executed by Jaipur lnfragold Pvt Ltd were not done with a manipulative intent but the same were executed as normal trades according to the liquidity and market conditions prevailed at that particular point of time. Jaipur lnfragold never put the first trade, always put the quantity for sell after having buy quantity ordered by the other client.

k. The trades observed by SEBI in SCN were done by the Noticee No. 5 inadvertently, without any mala fide intention. Further, the Noticee No. 1 & 5 has done trading only for 59 trading days out of total 158 trading days.

l. This is the fact that the trades in the said scrip for Jaipur lnfragold Pvt. Ltd. in patch 1 were executed through the Tradeswift Broking Private Limited. It is also fact that Mr. Nishant Jain (Noticee No. 1) holds 200 shares (2% shareholding) under public category in Jaipur lnfragold Private Limited as on 31.03.2016. Further, it is also fact *that Mr. Mahendra Kumar Baid held 99% shareholding of Jaipur lnfragold Private Limited for a period of 18 days from 14.02.2013 to 04.03.2013, thereafter, there was no involvement of Mahendra Kumar Baid in the Company.*

m. *There were 7 trades executed with Rajiv Maheshwari, the first order was placed by him and Jaipur lnfragold Pvt Ltd sold the shares to him, which was not done with a manipulative intent but the same were executed as normal trades according to the liquidity and market conditions prevailed at that particular point of time.*

n. *The Noticee no. 5 never put the first trade on Exchange, it has placed the orders which the buyer was already available on the screen, the quantity of sell trade was depended on the buy quantity trade available in the market.*

o. *Noticee no. 5 has placed the orders in the shares of BFL simply as investor, not having intention to manipulate the price and not to indulge in any act which creates a false or misleading appearance of trading in the scrip. The violation of certain provisions of SEBI Act and PFUTP Regulations was not done intentionally.*

p. *Noticee no. 5 was not involved in any first trade during patch 2. Noticee No. 5 has only executed sell trades during patch 2 of the investigation period. Noticee No. 5 was not involved during patch 3 of the Investigation Period.*

7.4. Reply of Noticee 6

a. *He is a retired Government Employee and collection of small quantities of shares of each and every company is his hobby and he had been collecting shares of each and every company since 1983.*

b. *His name figures in Limca Books of Records and presently holds shares of more than 6000 shares. Noticee 6 has provided copy of certificate of Limca Book of Records (National Record 2013) in support of his contention.*

c. *He holds Depository account in NSDL bearing DPID No. IN301143 and Client ID-11441796 with Master Capital Services Ltd. and he is holding shares of 57 companies in this account. Further, he had another account in CDSL bearing no. 1203350001406079 with Bonanza Portfolio Ltd., and holding the shares of 5076 companies in this account and his account is the biggest depository account in India*

d. *He acquired shares in denominations of 5/10/25/50/100 shares depending upon the price of the shares and shares of BAFL first traded on February 22, 2016 and thereafter he purchased shares in 5/ 10 quantities and never for one share. It was only the seller who only sold one share each time and after receiving delivery of shares in his demat account, he never purchased shares of BAFL.*

e. *He is still holding those 7 shares of BAFL.*
f. *Noticee 6 has provided his demat statement and price-volume details of respective days.*
g. *He did not know any person mention in the SCN.*
h. *Mr. Sabil Kumar Dutt whose name is appearing in the SCN, is also acquiring shares of each and every company and Mr. Dutt is acquiring one share of each and every company.*

8. I note that sufficient opportunities have been given to Noticees 7, 8, 9, 10, 11, 12, 13, 14 and 15 to represent themselves and the principles of natural justice have been complied with. However, despite service of the SCN and hearing notices, none of the given opportunities of personal appearance were availed of by the aforesaid Noticees. The Hon'ble Securities Appellate Tribunal ("**SAT**") in the matter of Classic Credit Ltd. v. SEBI [2007] 76 SCL 51 (SAT - MUM), *inter alia*, held that – *"the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them*". Similarly, the Hon'ble SAT also, in the case of Sanjay Kumar Tayal & Ors. v. SEBI (in appeal No. 68/2013) decided on February 11, 2014, held that *"…appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices*". Since no replies to the SCN have been filed by Noticees 7, 8, 9, 10, 11, 12, 13, 14 and 15, it can be reasonably presumed that the allegations have been admitted to by the said Noticees in this case.

9. In view of the above, I am compelled to proceed *ex-parte* in the matter against Noticees 7, 8, 9, 10, 11, 12, 13, 14 and 15. I am of the view that Noticees have nothing to submit and in terms of Rule 4(7) of Adjudication Rules, the matter can be proceeded *ex-parte* on the basis of material available on record. Therefore, the present proceedings against Noticees 7, 8, 9, 10, 11, 12, 13, 14 and 15 are undertaken *ex-parte* on the basis of available documents and information.

10. While deciding the case, I also cannot lose sight of settled position of law that the charges in the SCN should be established with valid reasons and in accordance with law. I, therefore, deem it necessary to examine the charges based on the trades of Noticees and supporting documents available on record.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

11. I have carefully perused the charges levelled against Noticees, replies/submissions filed by Noticees 1, 2, 3, 4, 5 and 6 and other documents/ evidence available on records. The issues that arise for consideration in the present case are:

I. Whether
    a. Noticees 1 to 15 have violated Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (e) of PFUTP Regulations?
    b. Noticees 7 to 15 have violated Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and (g) of PFUTP Regulations?

II. Do the violations, if any, attract monetary penalty under Section 15HA of SEBI Act?

III. If so, what should be the quantum of monetary penalty?

12. Before moving forward in the matter, I first discuss the preliminary objections raised by Noticees 2, 3 and 4. In their reply, Noticees 2, 3 and 4 have contended that many counter parties to their trades are not made parties to the SCN. Further, Noticees 2, 3 and 4 have contended that top 10 buyers and sellers, top 10 LTP contributors, entities who had contributed to NHP, first trade LTP, brokers etc. are not made parties to the investigation and thus, SEBI has done biased investigation whereas few similar entities were given clean chit and the said Noticees had been charged for the same and accordingly, SEBI by issuing SCN on such biased investigation has violated all the principles of fairness and equity. Therefore, the said Noticees have contended that allegations made against them in the SCN should be dropped with immediate effect. In this regard, I note that vide communique dated May 12, 2021, I have been directed to undertake inquiry into the violations allegedly committed by only Noticees 1 to 15 and assess the quantum of penalties to be imposed on them, if any. In this connection, I observe that Noticees 2, 3 and 4 cannot be absolved of the culpability of the alleged violations by contending that the counterparties were not being charged. Therefore, I find no merit in the aforementioned contentions made by Noticees 2, 3 and 4.

13. Noticees 2, 3 and 4 in their reply have also contended that in the present matter, investigation period pertains to a period from February 22, 2016 to June 01, 2017 and the SCN is issued on March 14, 2022, i.e. almost 5 years from the investigation period and that there has been an inordinate delay in issuance of SCN which has caused prejudice to them

as it was difficult to collate the exact circumstance of 5 years back. Noticees 2, 3 and 4 in their reply have also placed reliance on the judgement of Hon'ble SAT in the matter of Ashok Shivlal Rupani vs. SEBI (Appeal no. 417 of 2018; Order dated August 22, 2019), Anil Kumar Nandkumar Harchandani & Ors vs. SEBI (Appeal no.75 of 2019; Order dated December 05, 2019), Shiram Insight Share Brokers Ltd. (Appeal no. 559/2020; Order dated January 04, 2022), Rajiv Bhanot & Ors. vs. SEBI (Appeal no. 396 of 2018; Order dated July 09, 2021), and Yatin Pandya HUF vs. SEBI (Appeal no. 719 of 2021; Order dated March 24, 2022).

14. I have perused the decisions cited by Noticee with regard to the delay in issuance of SCN. I note from the aforementioned judgements of Hon'ble SAT that it has become trite law that SCN has to be issued within reasonable period of time and what constitutes reasonable period would depend on facts and circumstances in each case, nature of default/statute, prejudice caused, whether the third party rights had been created etc. I note from the material available on record that in the present case, investigation was initiated on May 16, 2019. During the course of investigation, SEBI had gathered information *inter-alia*, from BSE, Depositories, various entities including Noticees etc. After the fact finding exercise, investigation was completed in the month of March 2021. Thus, I find that the examination in the matter was completed within 2 years, which includes the period of COVID pandemic, pursuant to which undersigned was appointed as Adjudicating Officer (**AO**) vide SEBI's order dated May 10, 2021. After receipt of certain clarifications sought by the undersigned from the concerned department of SEBI, the SCN in the matter was issued on March 14, 2022. Therefore, I find that there was no delay in the issuance of SCN in the matter and the SCN was issued in reasonable period of time. I note that the Noticees 2, 3 and 4, have merely stated that prejudice has been caused to them due to the alleged delay. However, the aforesaid Noticees have failed to state as to what record/document/evidence could not be accessed/obtained by them because of the alleged passage of time. I note that after issuance of SCNs, adequate opportunities were granted to aforesaid Noticees to represent their cases and aforesaid Noticees were provided with all the relevant material with respect to the charges levelled in the SCNs, to form a definite defense to the charges in the SCNs, which aforesaid Noticees have provided through their respective replies. Thus, looking at the material available at the disposal of the Noticees 2, 3 and 4, I find that Noticees 2, 3 and 4 have been provided with all the material that would have been abundantly adequate to facilitate recollection of events or collection of relevant data and thereby enabling them to form a definite defense to the charges in the SCN, which Noticees 2, 3 and 4 have provided through their respective replies. Therefore, I do not find any merit in the contention raised by

Noticees 2, 3 and 4 that there has been inordinate delay in issuance of SCN due to which prejudice has been caused to them.

15. Noticees 2, 3 and 4 in their reply have also contended that there was a difference in the investigation period as specified in the paragraph 2 of SCN (Investigation period December 08, 2016 to June 01, 2017) and as specified in the paragraph 4 of SCN (Investigation period February 22, 2016 to June 01, 2017). In this regard, I note that during the course of personal hearing granted to Noticees 2, 3, and 4, the aforesaid Noticees were duly informed that investigation period should be read as 'February 22, 2016 to June 01, 2017' in all places in the SCN. The same was also communicated to aforesaid Noticees through hearing minutes and the said minutes were duly acknowledged by them. Therefore, I do not find the aforesaid contention to be relevant anymore.

16. Having dealt with the preliminary objections, I now proceed to deal with the case on merits.

17. Before moving forward, it is pertinent to refer to the relevant provisions of Sections 12A (a) (b) and (c) of the SEBI Act, Regulations 3 (a), (b), (c) and (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations, which are reproduced as under: -

SEBI Act

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

12A. No person shall directly or indirectly –

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;
(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"

PFUTP Regulations

*"**Regulation 3**:*

Prohibition of certain dealings in securities:

No person shall directly or indirectly-
(a) buy, sell or otherwise deal in securities in a fraudulent manner;
(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive

device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange.

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

*"**Regulation 4**:*

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 securities market.

…

(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;"

ISSUE No. 11(I):- Whether

a. Noticees 1 to 15 have violated Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (e) of PFUTP Regulations?

b. Noticees 7 to 15 have violated Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and (g) of PFUTP Regulations?

18. It has been alleged in the SCN that during the IP, Noticees 1 to 15 had executed synchronised trades and Noticee 7 to 15 had executed circular trades and reversal trades and first trades which manipulated the volume and price of the scrip of BAFL. In this regard, the BSE price-volume (**PV**) data pertaining to the scrip before, during and after investigation period is given below:

Period	Date	Price/ Date & Vol	Opening price/ volume on 1st trade day of the period	Closing price/ vol on last trade day of the period	Low price/ vol during the period	High price/ vol during the period	Avg. no. of shares traded daily during the period	Total traded quantity
Pre-investigation period	**February 18, 2016 to February 21, 2016***	**Price**	-	-	-	-	-	-
		Date	-	-	-	-		
		Vol	-	-	-	-		

Investigation period	**February 22, 2016 to June 01, 2017**	**Price**	Rs.12.50	Rs.69.00	Rs.21.50	Rs.12.50	551.18	93701
		Date	22/02/16	01/06/17	08/12/16	22/02/16		
		Vol	101	50	1	101		
Post Investigation period	**June 02, 2017 to July 31, 2017**	**Price**	Rs.68.00	Rs.68.00	Rs.68.00	Rs.68.20	192.5	770
		Date	02.06.17	26.07.17	02.06.17	06.06.17		
		Vol	50	100	50	320		

19. I note from the aforesaid data that during the investigation period, the price of the shares had risen from Rs.12.50 to Rs. 69.00 i.e., the price of the scrip increased by 452%. I also note that during the investigation period, the total traded volume in the scrip of BAFL was 93701 shares.

20. I also note from the documents available on record that SEBI identified three different patches of the investigation period i.e. from February 22, 2016 to January 16, 2017 ('**Patch 1**'), January 18, 2017 to April 25, 2017 ('**Patch 2**') and April 26, 2017 to June 01, 2017 ('**Patch 3**'). The PV data for the aforesaid three patches is given below:

Patch	Date	Price/ Date & Vol	Opening price/ volume on 1st trade day of the period	Closing price/ vol on last trade day of the period	Low price/ vol during the period	High price/ vol during the period	Avg. no. of shares traded daily during the period	Total traded quantity
1 (Price Rise)	**February 22, 2016 to January 16, 2017**	**Price**	Rs.12.50	Rs.37.85	Rs.12.50	Rs.37.85	2.47	230
		Date	22.02.16	16.01.17	22.02.16	16.01.17		
		Vol	101	4	101	4		
2 (Price Rise)	**January 18, 2017* to April 25, 2017**	**Price**	Rs.37	Rs.47.05	Rs.36.20	Rs.48.55	1232.81	78900
		Date	18.01.17	25.04.17	18.01.17	19.04.17		
		Vol	540	1002	540	1570		
3 (Price Rise)	**April 26, 2017 to June 01,2017**	**Price**	Rs.45.50	Rs.69	Rs.45.50	Rs.69	1120.85	14571
		Date	26.04.17	01.06.17	26.04.17	01.06.17		
		Vol	3011	50	3011	50		

No trades were executed on Jan 17, 2017

21. I note from the investigation report that the top 10 buy and sell clients on BSE in the scrip, during the investigation period were as under:

Buyer	**Traded Qty**	**%of Traded qty**	**Seller**	**Traded Qty**	**% Traded qty**
Pradeep Kumar Jain	14009	14.95%	Pradeep Kumar Jain	13220	14.11%
Dharmendra Kumar Jain	9984	10.66%	Dharmendra Kumar Jain	9456	10.09%
Dhirajbhai Baladevji Thakor	7746	8.27%	Dhirajbhai Baladevji Thakor	7746	8.27%
Bharti Sharma	7567	8.08%	Bharti Sharma	7567	8.08%
Bhagavatiben Vishnubhai Patel	7151	7.63%	Bhagavatiben Vishnubhai Patel	7151	7.63%
Kavita Jain	6770	7.23%	Kavita Jain	6740	7.19%

Ramanlal Ravchand Shah	5751	6.14%	Ramanlal Ravchand Shah	5751	6.14%
Dharmendra Jain Huf	5220	5.57%	Dharmendra Jain Huf	5220	5.57%
Pinesh Nareshkumar Shah	5057	5.40%	Pinesh Nareshkumar Shah	5057	5.40%
Vinod Solanki	4876	5.20%	Vinod Solanki	4876	5.20%
Total	**74131**	**79.11%**	**Total**	**72784**	**77.68%**
Market Total	**93701**	**100.00%**	**Market Total**	**93701**	**100.00%**

22. From the above table, I note that Noticee 2 was the top buyer contributing 14.95% to the total market volume. I also note that Noticee 2 was the top seller contributing 14.11 to the market volume.

23. I note that during the period of investigation, SEBI identified two groups, Group I consisting of 10 entities and Group II consisting of 11 entities. The connection between 10 entities forming part of Group I and 8 entities forming part of Group II, based on trading pattern, order log details, Unique Client Code (UCC) details, Know Your Client (KYC) details, information available on Ministry of Corporate Affairs (MCA) portal, bank statements and market transactions are given below:

Group-I Entities

Sl. No	Name of the entity	PAN	Connection amongst suspected entities	Basis of Connection
1	Nishant Jain (Noticee1)	ADBPJ0618B	Connected to entities at Sl.No.2,3 and 10.	i. Familial relationship as son to entity at Sl.No 2 sharing common address common residential addresses namely, 403, Sufal Apt, S.J.S. Highway, Banipark, Jaipur, Rajasthan 302016 and C-504, Mahima Iris-1 3A Swage Farm, New Sanganer road, Jaipur, Rajasthan 302019, common mobile number 9829156005 and common email ID nishant@tradeswift.net and nishantxyzxyz@gmail.com. ii. Promoter of entity at Sl.No 3 which was a promoter of BFL as on quarter ended December 2016. iii.Shares common email ID sandeep@tradeswift.net with entity at Sl.No 9 iv. Over 1% shareholder under public category in Entity at Sl.No 10. v. Connected to entity at sl.no 3 & 9 by virtue of being one of the two designated directors of sl.no 3 along with entity at sl.no 9.
2	Nirmala Jain	AFTPJ8332E	Connected to entity at sl.no.1	i. Mother of entity at Sl.No 1 and shares common addressses 403, Sufal Apt, S.J.S. Highway, Banipark, Jaipur, Rajasthan 302016 and C-504, Mahima Iris-1 3A Swage Farm, New Sanganer road, Jaipur, Rajasthan 302019, common mobile number 9829156005 and common email ID nishant@tradeswift.net and nishantxyzxyz@gmail.com.

3.	Tradeswift Broking Private Limited	AAECA3760A	Connected to entities at Sl.No.1, 9	i.Entities at Sl.No 1& 9 are promoters and designated directors of entity. ii.Trading member for entities at Sl.No 1,2,8 & 10. iii. Common address viz. Baid House, II Floor, 1, Tara Nagar, Ajmer Road, Jaipur 302006 with one of the promoter group entities of the company namely, Baid Leasing and Finance Co Ltd.
4	Anant Jain	BAVPJ3631C	Connected to entities at Sl.Nos.5,6 &7	i. Familial relationship as son to entities at Sl.No 5 & 7 ii. Co-parcener in entity at Sl.No 6 iii.Shares common email id tradeboss72 with entity at Sl.No 9.
5	Dharmendra Kumar Jain (Noticee 3)	ADBPJ4242K	Connected to entities at Sl.Nos.4, 6, 7	i.Familial relationship as husband and father to entities at sl.no 7 & 4 respectively. ii.Karta of entity at sl.no 6 iii.Shares common email id tradeboss72@gmail.com and broking.shares@gmail.com with entities at sl.no 9 & 8 respectively.
6	Dharmendra Jain HUF (Noticee 4)	AAGHD2552J	Connected to entities at sl.nos.4,5,&7	i.Connected to entity at Sl.No 5 who is the Karta and entities at sl.no 4 & 7 who are the coparceners.
7	Kavita Jain	ABUPJ3478L	Connected to entities at sl.no 4,5 & 6	i.Familial relationship as wife and mother to entities at sl.no 5 & 4 respectively. ii.Coparcener of entity at Sl.No 6
8	Pradeep Jain (Noticee 2)	ACAPJ1260F	connected to sl.nos. 1 and 5	i. Familial relationship as brother to entity at sl.no 9 and share common residential address at 3, CHA 18, Housing Board, Shastri Nagar, Jaipur, Rajasthan 302016. ii.Shares common email ID broking.shares@gmail.com with entity at sl.no 5.
9	Sandeep Jain	ACSPJ9399K	Connected to entities at sl.nos.3 & 8	i.Promoter and designated director of entity at sl.no 3 ii.Familial relationship as brother to entity at sl.no 8 sharing common residential address at 3, CHA 18, Housing Board, Shastri Nagar, Jaipur, Rajasthan 302016. iii. Connected to entity at sl.no 1 & 3 by virtue of being one of the two designated directors of sl.no 3 along with entity at sl.no 1.
10	Jaipur Infragold Pvt Ltd. (Noticee 5)	AACCJ8693D	Connected to entities at sl.no.1 and 3	i.Connected to entity at sl.no 1 by virtue of entity at sl.no 1 being more than 1% shareholder in the entity. ii.Traded through entity at Sl.No 3 iii. Has email ID baidfinance@hotmail.com (erstwhile email ID of the company) and shares common address viz. Baid House, II Floor, 1, Tara Nagar, Ajmer Road, Jaipur 302006 with one of the promoters of the company namely, Baid Leasing and Finance Co Ltd. iv. Received off-market credit of 60000 shares from Baid Housing Finance Private Limited, one of the companies of Baid Group on 30.03.2016.

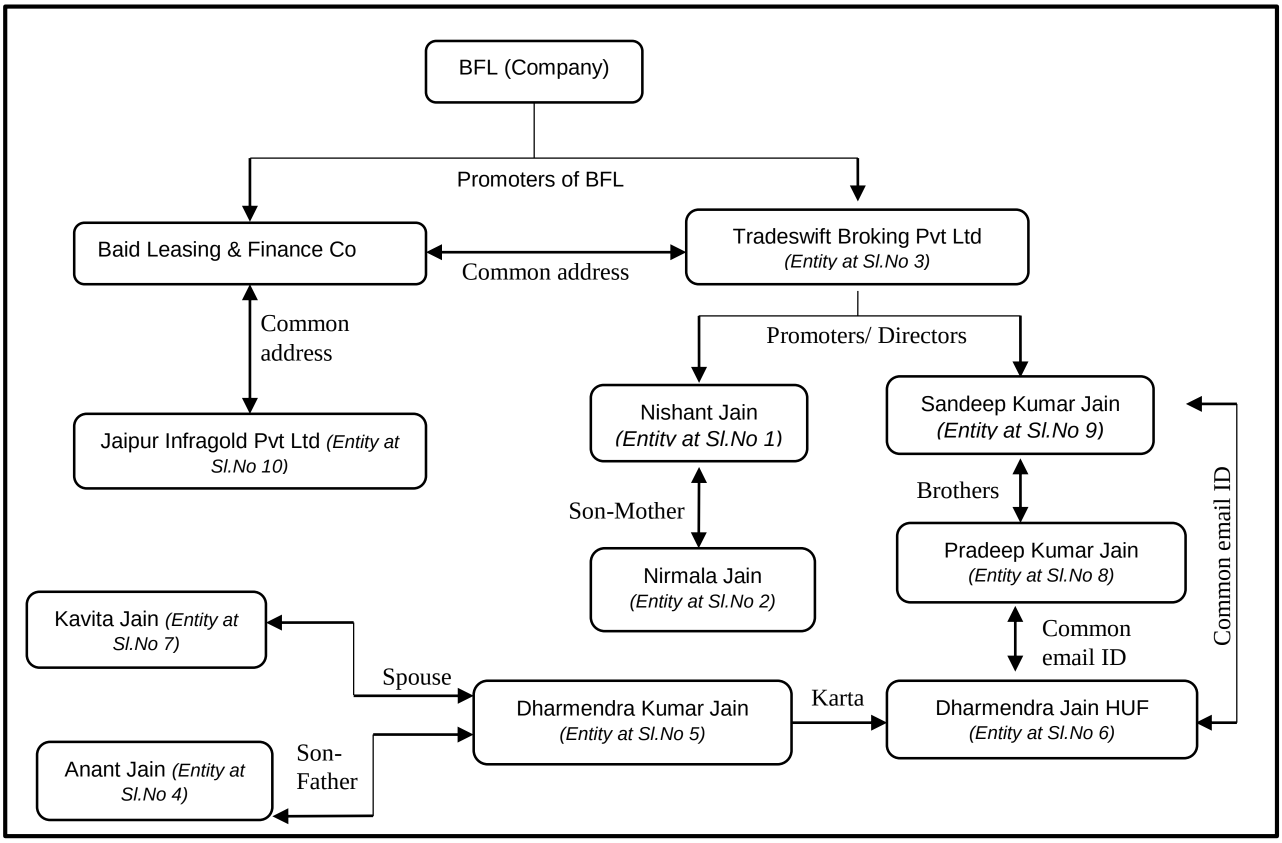
* *The entities of group I and group II who/which are Noticees in the instant adjudication proceeding are indicated herein*.

Group-II Entities

Sl.No	Name	Connection
1	Babulal Hansraj Lakhani (Noticee 7)	Common mobile no 7096785779 with entity at sl.no 2 common mobile no 7779082715 with entities at sl.no 3 & 4
2	Vinod Solanki (Noticee 9)	Common mobile no. 7096785779 with entity at sl.no 1
3	Jasmin Indu Shah(Noticee 14)	Common mobile no. 7779082715 with entity at sl.no 1 & 4
4	Ramanlal Ravchand Shah (Noticee 8)	Common mobile no. 7779082715 with entity at sl.no 1 & 3 Common mobile no. 9998447513 with entity at sl.no 5 Common mobile no 8905762634 with entity at sl.no.6
5	Bhagavatiben Vishnubhai Patel (Noticee 10)	Common mobile no. 9998447513 with entity at sl.no 4
6	Mahendrabhai Naranbhai Patel (Noticee 15)	Common mobile no 8347937024 with entity at sl.no 7 & 8 Common mobile no 8905762634 with entity at sl.no.4
7	Dhirajbhai Baladevji Thakor (Noticee 11)	Common mobile no 8347937024 with entity at sl.no 6 & 8
8	Roshanlal Daulatram Aggarwal	Common mobile no 8347937024 with entity at sl.no 6 & 7

* *The entities of group I and group II who/which are Noticees in the instant adjudication proceeding are indicated herein.*
 # As regards Noticees 12-13 who are part of Group II entities, their connection is discussed later.

24. The connection chart depicting the relationship among the connected entities among group-I is given below: -



25. I note that Noticees 1 to 5 forming part of Group I have not disputed the aforesaid connection among themselves. I also note that Noticees 7 to 15 have not made any submissions w.r.t. connection among entities of Group II. Thus, from the facts and records as presented in the table above, I observe that the Noticees 1 to 5 forming part of Group I and Noticees 7 to 11 & Noticees 14 and 15 forming part of Group II are connected entities within the respective groups on account of their common directorships, family connection, fund transfers, common contact details and address as well as business ties. At this juncture, I find it pertinent to refer to the judgement of the Hon'ble SAT in the matter of Sanjay Kumar Poddar HUF vs.

SEBI (Appeal No. 326 of 2020; Decided on August 24, 2021), in which it was held that- "…*it would be necessary to find out what is meant by the term 'connection'. This term is not a term of art. Respondent SEBI often use this term in order to explain a link between entities. The link can be anything like personal relationship, off-market transaction, financial relationship or even a location proximity etc. In view of the fact that on the stock exchanges platform numerous faceless transactions in large numbers within a fraction of a second take place between the parties across the globe unknown to each others, any link between a set of entities trading in similar manner or with each other or the company etc. if found, cannot be easily brushed aside as a mere coincidence. The issue therefore will be whether the link would be a factor indicating that there is a high probability of the alleged group working in tandem to achieve a certain goal i.e. to increase the price of the shares…*" Therefore, placing reliance on the aforesaid judgement, I find that the UCC details, KYC details, information from MCA portal, bank statements and market transactions clearly establish that the aforesaid Noticees of Group I and Group II were connected to each other in their respective groups. I also note that Noticee 6 has contended that he is not aware of any of the Noticees and is not connected with them. I note that charge against Noticee 6 is that he placed orders for miniscule quantity at a price above the LTP and thereby manipulated the price upwards in 7 buy trades in the scrip of BAFL. I find that out of the 5 entities forming part of Group 1, Noticee 5 was the only counterparty to the 7 buy trades executed by Noticee 6. Thus, I find that the charge against Noticee 6 is not that it had executed manipulative trades with any connected entity but that he manipulated the price of the scrip of BAFL by his individual trades. Moreover, I do not find any connection between Noticee 6 with the entities of Group I or Group II established in the Investigation report. Hence, I am inclined to agree with the aforementioned contention of Noticee 6. Therefore, in view of the foregoing and placing reliance on the aforesaid orders of Hon'ble SAT, I conclude that the Noticees 1 to 5, forming part of Group I and Noticees 7 to 15, forming part of Group II were connected to each other within the respective groups.

26. From the trade log and order log available on record, I note that during the investigation period, out of 170 trading days on BSE, Group-I entities traded on 157 trading days and bought 42438 shares and sold 44363 shares. The trading details of Group-I entities during the investigation period are given hereunder: -

Sl.No	Client name	Gross Buy	Gross Sell	Gross Traded Qty.	Net Qty.	%Buytq	%Selltq
1	Pradeep Kumar Jain	14009	13220	27229	789	14.95%	14.11%
2	Dharmendra Kumar Jain	9984	9456	19440	528	10.66%	10.09%
3	Kavita Jain	6770	6740	13510	30	7.23%	7.19%
4	Dharmendra Jain Huf	5220	5220	10440	0	5.57%	5.57%
5	Anant Jain	4480	4450	8930	30	4.78%	4.75%
6	Sandeep Kumar Jain	1880	1880	3760	0	2.01%	2.01%

Sl.No	Client name	Gross Buy	Gross Sell	Gross Traded Qty.	Net Qty.	%Buytq	%Selltq
7	Nishant Jain	93	0	93	93	0.10%	0.00%
8	Nirmala Jain	2	0	2	2	0.00%	0.00%
9	Jaipur Infragold Private Limited	0	3397	3397	-3397	0.00%	3.63%
	Total	42438	44363	86801		45.29%	47.35%
	Market total	93701	93701	92.64%		100.00%	100.00%

27. I also observe from the trade log and order log that Group-I entities traded amongst themselves contributing to the total traded volume of 38860 shares in the scrip of BAFL during the IP. The quantum of trades by Group-I entities are mentioned as under: -

Market Volume (1)	**Total no. of shares bought by the group (2)**	**Total no. of shares sold by the group (3)**	**Total traded quantity among the group entities (4)**	**Traded qty among the group as a % of mkt vol (5)=(4)/(1)%**	**Traded qty among the group as a % of total no. of shares bought (6)=(4)/(2)%**	**Traded qty among the group as a % of total no. of shares sold (7)=(4)/(3)%**
93701	42438	44363	38860	41.47	91.57	87.60

28. At this juncture, I deem it appropriate to refer to the judgement of the Hon'ble Securities Appellate Tribunal ('**Hon'ble SAT**') in Ketan Parekh vs. SEBI (Appeal No. 2 of 2004; Order dated 14.07.2006) in which circular trades and synchronised trades have been discussed. In the aforesaid judgement, it was held as follows:

"*… There are yet another type of transactions which are commonly called synchronised deals. The word 'synchronise' according to the Oxford dictionary means "cause to occur at the same time; be simultaneous". A synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time…A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium."*

29. Placing reliance upon the judgement of Hon'ble SAT in Ketan Parekh vs. SEBI (*Supra*), I note that a synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time such that the buy and sell order quantity and rate are identical and orders for these transactions are placed within a time gap of one minute.

30. I find from the BSE Order log and Trade log that Group I entities placed orders as buyers and sellers by entering the quantity and price of the shares at substantially the same time such that the buy and sell order quantity and rate were identical and were placed within a

time gap of one minute. As an illustration, I find that on January 16, 2017, Noticee 1 placed a buy order at 09:59:02 hrs for 2 shares at the rate of Rs. 37.8. Thereafter, Noticee 5 placed a sell order for 2 shares at the rate of Rs. 37.8 at 09:59:17 hrs i.e. within a minute from the buy order placed by Noticee 1. The resulting buy and sell trade between Noticee 1 and 5 got executed at 09:59:17 hrs. Thus, Noticees 1 and 5 placed buy and sell orders for the same price and same quantity within a minute and the resulting buy/sell trade got executed within a minute. Hence, placing reliance on the aforementioned judgement in the matter of Ketan Parekh vs. SEBI (*Supra*), I find that the aforesaid trade executed between Noticees 1 and 5 amounted to synchronised trade. I find that the aforesaid synchronised trade contributed 0.13% to the Last Traded Price ('**LTP**') in the scrip of BAFL. I find that orders of similar nature were placed and synchronised trades were executed between Noticees 1 and 5 for 56 trading days and which contributed to the LTP of the scrip. I also find that such synchronised trades were also executed between the Group I entities for 72 days which contributed 4.06% to the traded volume in the scrip of BAFL. The details of the aforesaid synchronised trades are as under:-

Buyer PAN	Buyer Name	Seller PAN	Seller Name	Synchronized Qty	Sum Of Ltp Diff	No. of Days	No. of trades	%Mkt vol
ABUPJ3478L	Kavita Jain	ACAPJ1260F	Pradeep Kumar Jain	300	-0.20	1	1	0.32%
ABUPJ3478L	Kavita Jain	ADBPJ4242K	Dharmendra Kumar Jain	190	0.00	1	1	0.20%
ACAPJ1260F	Pradeep Kumar Jain	AAGHD2552J	Dharmendra Jain Huf	180	0.10	2	2	0.19%
ACAPJ1260F	Pradeep Kumar Jain	ABUPJ3478L	Kavita Jain	150	0.00	1	1	0.16%
ACAPJ1260F	Pradeep Kumar Jain	ACSPJ9399K	Sandeep Kumar Jain	390	0.10	2	2	0.42%
ACAPJ1260F	Pradeep Kumar Jain	ADBPJ4242K	Dharmendra Kumar Jain	490	0.10	5	5	0.52%
ACAPJ1260F	Pradeep Kumar Jain	BAVPJ3631C	Anant Jain	800	0.05	4	4	0.85%
ACSPJ9399K	Sandeep Kumar Jain	ACAPJ1260F	Pradeep Kumar Jain	200	0.00	1	1	0.21%
ACSPJ9399K	Sandeep Kumar Jain	ADBPJ4242K	Dharmendra Kumar Jain	184	0.00	1	1	0.20%
ADBPJ0618B	Nishant Jain	AACCJ8693D	Jaipur Infragold Private Limited	71	14.10	56	64	0.08%
ADBPJ4242K	Dharmendra Kumar Jain	ACAPJ1260F	Pradeep Kumar Jain	300	0.05	1	1	0.32%
ADBPJ4242K	Dharmendra Kumar Jain	ACSPJ9399K	Sandeep Kumar Jain	100	0.10	1	1	0.11%
AFTPJ8332E	Nirmala Jain	AACCJ8693D	Jaipur Infragold Private Limited	2	0.10	1	2	0.00%
BAVPJ3631C	Anant Jain	ABUPJ3478L	Kavita Jain	450	-0.10	1	1	0.48%
Total				**3807**	**14.40**	**72**	**87**	**4.06%**

31. I observe from the trade log and order log that during the investigation period, Group-I entities had executed synchronized trades among themselves for a traded volume of 3807 shares which was 4.06% of the total market volume. The summary of the aforesaid synchronized trades among entities belonging to Group-I are given below:

Market volume	Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Total qty traded by suspected entities	Total traded qty among the suspected entities	Synchronized traded qty by suspected entities	Sync Trades qty. as % of total traded qty among the suspected entities	Sync Trades qty. as % of Total market volume	No. of synchronised trades	Sum of LTP at sync trades (Rs.)
93701	42438	44363	86801	38860	3807	9.80	4.06	87	14.40

32. From an analysis of the trade log and order log, I find that the percentage wise synchronized trades of Group-I entities was as under:-

Entity Name	PAN No.	No. of Instances of Sync Trades	Sync Trade Quantity	% of Sync Qty. to Tot. Market Vol. during 22.02.2016 to 01.06.2017 (Total Mkt Vol: 93701)	% of Sync. Qty. to. Sync. Qty. Traded (Total Sync Qty : 3807)
Anant Jain	ABUPJ3478L	2	450	0.48%	11.82%
Dharmendra Kumar Jain	ACAPJ1260F	14	400	0.43%	10.51%
Kavita Jain	ACSPJ9399K	2	490	0.52%	12.87%
Nirmala Jain	ADBPJ0618B	64	2	0.00%	0.05%
Nishant Jain	ADBPJ4242K	2	71	0.08%	1.86%
Pradeep Kumar Jain	AFTPJ8332E	2	2010	2.15%	52.80%
Sandeep Kumar Jain	BAVPJ3631C	1	384	0.41%	10.09%
Total		87	3807	4.06%	100%

33. From the above table, I note that the percentage of volume contributed by synchronized trades of Pradeep Kumar Jain i.e. Noticee 2, to the market volume was 2.15% i.e. more than 1%. I also observe that even though the synchronized trades of entities, Nishant Jain i.e. Noticee 1 and Jaipur Infragold Private Limited i.e. Noticee 5 contributed only 0.08% to market volume, the trades of Noticees 1 and 5 increased the price of the scrip from Rs. 16.15 to Rs. 37.85 through 64 synchronized trades. At this juncture, I place reliance upon the judgement of the Hon'ble Securities Appellate Tribunal ('**Hon'ble SAT**') in Ketan Parekh vs. SEBI wherein it was held that,

"A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of

beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn"

34. I find that Noticees 1, 2, and 5 were indulging in repeated synchronised trades over a period of 72 trading days. I am inclined to the view that such pattern of repeated circular trades created through synchronisation of those trades within the group would create a false and misleading impression of trading in the scrip. In such circular trades, beneficial ownership of shares may not be transferred among the entities. Considering the pattern of trading and placing reliance on the aforementioned judgement, it won't be wrong to conclude that Noticees 1, 2 and 5 indulged in synchronised trades to manipulate the volume and price in the scrip of BAFL.

35. I note that Noticees 1 and 2 have stated in their replies that they have not done any synchronized trades and no specific allegations were levelled against them, hence they do not have any comments to offer on the same. I find that the Noticees 1 and 2 have merely denied that they had executed synchronised trades. However, the data pertaining to their trades as illustrated above clearly demonstrates that they had executed synchronised trades. As established above, Noticees 1 and 2 were connected entities and had executed synchronised trades during patch 1. Therefore, I do not find any merit in the aforementioned contentions In view of the observations made earlier in respect of the trades executed by said Noticees, I find that the said Noticees indulged in synchronized trades which contributed to market volumes in order to manipulate trading volume and price in the scrip and also give a false and misleading appearance of trading in the scrip of BAFL at BSE.

36. I note that in its reply, Noticee 5 has not disputed the impugned trades executed by it but has denied the allegation made in the SCN. Noticee 5 has stated that it had sold 3397 shares of BAFL during the investigation period. Noticee 5 has contended that the trading volume done by Noticee No. 5 was only 3397 shares which was 3.63% of total sell quantity and it had traded only 73 shares with Nishant Jain and Nirmala Jain i.e. 0.08% of market volume in the scrip of BAFL and remaining 3324 shares of BAFL were sold in open market to non-identified parties on Screen based Trading and the aforesaid trades were executed on the trading terminal of Tradeswift Broking Private Limited. Thus, Noticee 5 has contended that the trades in the shares of BAFL have been executed by Noticees 5 on the basis of prevailing liquidity and market conditions, without any mala fide intention to manipulate the price and

to create a false or misleading appearance of trading in the scrip. Noticee 5 has also contended that it did not intentionally violate SEBI Act and PFUTP Regulations. As regards the aforesaid contentions, I find that apart from a mere statement that it had not intended to manipulate volume or price of the scrip of BAFL, Noticee has not disputed that it was connected to Noticee 1 and the Group I entities and that the trades executed by it had contributed to the price rise in the scrip of BAFL. I find that the aforesaid trading pattern in which Noticee 5 executed trades for miniscule quantities of shares despite having sufficiently high balance of shares available with itself i.e. 82,500 shares as on 01.01.2016, by placing sell orders for miniscule quantities and contributed to LTP in the scrip during the IP, demonstrates that it had executed the aforesaid trades to manipulate the price of the scrip of BAFL. Further, in respect of its contention that its trades were executed in screen based trading mechanism and got matched because BAFL was a less liquid scrip and that matching of trades could take place in normal course of trading, I find that the pattern of its trades was executed in concert with the Group I entities and this clearly demonstrates manipulative intent on their part. In the instant case, as BAFL was not a very liquid scrip, connected entities of Group I were able to manipulate the price of the scrip by matching their trades to their advantage. Thus, I find the aforesaid contentions of Noticee 5 to be devoid of merit

37. As mentioned earlier in the order, during the investigation period, the price of the shares had risen from Rs.12.50 to Rs. 69.00 during the investigation period i.e. an increase of 452%. I also note that during the investigation period, the total traded volume in the scrip increased to 93701 shares with an average daily traded volume of 551.18 shares. I further note that the aforesaid synchronised trades were executed in order to manipulate the volume and LTP in the scrip of BAFL at BSE and in order to manipulate trading volume in the said scrip and thereby give a false and misleading appearance of trading in the scrip of BAFL at BSE. The aforesaid synchronised trades were executed by the Noticees in order to provide a misleading impression to investors in respect of the market traded volume, liquidity and price rise in the scrip in order to induce further trading in the scrip of BAFL in which there was otherwise no trading prior to the execution of aforesaid synchronised and circular trades. I also observe that such trades were executed in a sustained manner for a considerable period in order to contribute and facilitate rise in the price of the scrip. Therefore, the aforesaid manipulative trades played a significant role in inducing investors to trade in the scrip of BAFL by giving investors a misleading impression about the liquidity, trading volume and price rise in the scrip. Thus, the aforesaid manipulative trades contributed to increasing, maintaining and sustaining the volume and price in the scrip of BAFL. Such manipulative trades were maintained in the Exchange system immediately after listing of the scrip to

create a false and misleading appearance of trading to evoke the interest of the investors and lure them to trade in the scrip of BAFL in the post-listing period. I also observe that such trades were carried out not intermittently or occasionally but consistently throughout the IP by the Noticees 1, 2 and 5.

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

"*The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required… To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities… The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified."* Thus, placing reliance on the aforesaid judgement, I find that the aforesaid synchronised trades executed by Noticees 1, 2 and 5 induced investors to trade in the scrip of BAFL which was tantamount to fraud.

39. At this juncture, I find it pertinent to discuss the scope and ambit of PFUTP Regulations. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter alia,* prohibit employment of any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulations 4(2)(a), (e) and (g) of the PFUTP Regulations provide that an act in the course of dealing in securities shall be deemed to be fraudulent or an unfair trade practice if it involves indulging in an act which creates a false or misleading appearance of trading in the securities market or manipulates the price of the scrip or amounts to a transaction executed without the intention of performing it or without

intention of change of ownership of a security. The common thread through these provisions is that the ingredients of fraud/ manipulation/ unfair trade practices must be satisfied. In this regard, I find it pertinent to note that fraud has been defined in Regulation 2(1)(c) of PFUTP Regulations, which is reproduced hereunder:

"(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behaviour by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly."

40. From the aforementioned definition of 'fraud' as given in Regulation 2(1)(c) of PFUTP Regulations, I note that for an act or omission to be considered as fraud under the aforesaid definition, the same has to be done in order to induce another person or his agent to deal in securities. In this respect, I place reliance on the judgement of Hon'ble Supreme Court of India in SEBI and Ors v. Kanaiyalal Baldevbhai Patel (*Supra*), discussed above, where it has been held that inducement is required to constitute 'fraud' under PFUTP Regulations. In this regard, it has been established earlier that the aforesaid synchronised trades

executed by Noticees 1, 2 and 5 induced investors to trade in the scrip of BAFL which was tantamount to fraud.

41. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. At this juncture, I find it pertinent to refer to the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) wherein it was held that, "*While the screen based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned… It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion…The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned… The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors."* I further note the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) wherein it was held that: "*As held by the Apex Court in the case of SEBI V/s Kishore R. Ajmera reported in (2016) 6 SCC 368, in the absence of direct evidence, by taking into account immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded it is open to an AO to arrive at a reasonable conclusion that the trade executed were manipulated trades. In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations*."

42. In this respect, I refer to the judgement of Hon'ble SAT in the matter of M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012) wherein it was held as follows: "*The charge is one of synchronization in the scrip of the company during a short interval of 10 days out of 19 days of trade. The adjudicating officer has brought on record the details of the transactions, the trades done by the connected entities, percentage rate of synchronization to the quantity traded and the sample trade logs… The fact remains that the appellant has entered into synchronized trades during the period under investigation… What is relevant is the conduct of the parties in effecting the trades… facts of the case would show that the appellant and the connected entities have placed orders in such a way as to ensure matching of the buy and sell quantity and the price with the same counter parties and the difference in time is zero to a few seconds. In view of the discussion above, we hold that the adjudicating officer has brought on record sufficient material to show that the appellant's wrong doing falls under regulation 4 of the PFUTP Regulations.*"

43. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT and also considering preponderance of probabilities, I find that Noticees 1, 2 and 5 had indulged in manipulative synchronised trades which contributed to the rise in volume in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

44. It has been alleged in the SCN that Noticees 1 to 15 manipulated the price of BAFL shares on BSE during the IP and thus indulged in an act which created a false and misleading appearance of trading in the scrip, thereby violating the provisions of Section 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), and 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations.

Contribution to NHP, LTP and First trades during Patch 1 by Group I

45. On examination of the trades executed, as placed on record, I observe that different set of clients were involved in the 3 patches of price rise and further, the price rise was also accompanied by volume increase in its last two patches, as compared to patch 1.

46. From the BSE Trade log and Order Log I find that the details of top 9 LTP contributors among buyers, as observed in investigation, are given below:

Table 19

Entity name	All Ltp Rate	All Traded Qty	All No Trades	Pos Ltp Rate	Pos Traded Qty	Pos No Trades	Neg Ltp Rate	Neg Traded Qty	Neg No Trades	Zero Traded Qty	Zero No Trades	% Ltp
Nishant Jain	14.40	93	86	29.35	58	54	-14.95	29	27	6	5	72.74%

Rajiv Maheshwari	5.08	7	7	5.08	7	7	0.00	0	0	0	0	12.59%
Meenu Gupta	1.90	13	2	1.90	13	2	0.00	0	0	0	0	4.71%
Saibal Kumar Dutt	1.30	1	1	1.30	1	1	0.00	0	0	0	0	3.22%
Anantheshwar Pai Uppinangady	1.00	12	9	1.00	2	2	0.00	0	0	10	7	2.48%
Shripal Singh Mohnot	0.95	1	1	0.95	1	1	0.00	0	0	0	0	2.35%
Alpeshkumar Rasiklal Shah	0.62	1	1	0.62	1	1	0.00	0	0	0	0	1.54%
Nirmala Jain	0.10	2	2	0.15	1	1	-0.05	1	1	0	0	0.37%
Waseem Ahmad	0.00	100	1	0.00	0	0	0.00	0	0	0	0	0.00%
Total	**25.35**	**230**	**110**	**40.35**	**84**	**69**	**-15.00**	**30**	**28**	**16**	**12**	**100.00%**
Market Total	**25.35**	**230**	**110**	**40.35**	**84**	**69**	**-15.00**	**30**	**28**	**16**	**12**	**100.00%**

47. I observe that top 9 LTP contributors among buyers contributed Rs.25.35 to net LTP and Rs.40.35 to total market positive LTP and observe that Nishant Jain (Noticee 1) was the top LTP contributor with contribution of Rs.14.40 to net LTP and Rs.29.35 to total market positive LTP.

48. During Patch I, the price of the scrip opened at Rs 12.50 and moved to high of Rs 37.85, closing at the same price. Thus, the price increased by 202.8%. I also note that the price of Rs. 12.50 was set as equilibrium price on February 22, 2016. Details of the analysis of trades carried out by Group I entities, during this patch is as follows:

Table 20

	All trades			**Positive LTP trades**			**Negative LTP trades**			**Zero LTP trades**		**% Ltp**
Client Name	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Traded Qty**	**No. Of Trades**	
Nishant Jain	14.40	93	86	29.35	58	54	-14.95	29	27	6	5	72.74%
Nirmala Jain	0.10	2	2	0.15	1	1	-0.05	1	1	0	0	0.37%
Total	**14.50**	**95**	**88**	**29.50**	**59**	**55**	**-15.00**	**30**	**28**	**6**	**5**	**73.11%**
Market total	**25.35**	**230**	**110**	**40.35**	**84**	**69**	**-15.00**	**30**	**28**	**16**	**12**	**100.00%**

49. I observe from the above that the two Group I entities, namely, Nishant Jain (Noticee 1) and Nirmala Jain together contributed Rs.14.50 to net LTP and Rs. 29.50 to the positive LTP which is 73.11% of market positive LTP. Noticee 1 and Nirmala Jain together contributed Rs. 14.40 and Rs. 0.10 to net LTP which is 57.20% of net market LTP. Observations on analysis of trades by Noticee 1 are given in the subsequent paragraphs.

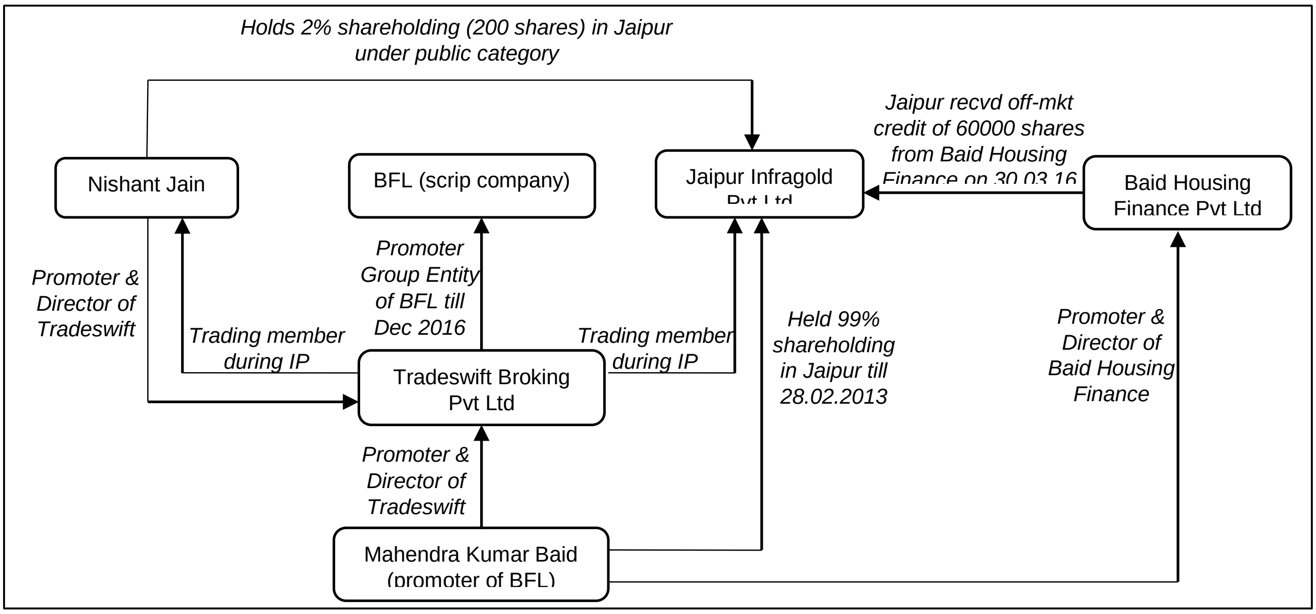
50. Trades carried out by Noticee 1 contributed Rs.14.40 to net LTP in 86 trades and Rs.29.35 to positive LTP in 54 positive LTP trades. On analysing the counterparties to the positive

LTP trades, I observe that in all the 54 positive LTP trades, the counterparty was Jaipur Infragold Private Limited (Noticee 5) with both entities trading 1-3 shares in each trade. The entities through trades between themselves contributed 72.74% to market positive LTP.

51. With regards to the trade done on February 22, 2016, I find that the shares of the company were listed on BSE w.e.f. February 18, 2016. On analysing the orders and trades from the BSE Trade log and Order log, I find that Noticee 5 was the only seller in the market on February 22, 2016 during the special pre-open session and equilibrium price was established on February 22, 2016 at Rs.12.50 for 100 shares. Hence, I find that Noticee 5 was instrumental in establishing equilibrium price for the scrip.

52. From perusal of the transaction cum holding statement obtained from Central Depository Services Ltd (CDSL) during investigation, I note that Noticee 5 was holding 82,500 shares as on January 01, 2016.

53. From BSE's email dated 16.10.2020 and 23.02.2021, I find that Noticee 1 is one of the designated directors of Tradeswift Broking Pvt Ltd. Further, Mahendra Kumar Baid, promoter of BAFL, is a designated director of Tradeswift Broking Pvt Ltd. From Director's report for FY 2015-16 and FY 2016-17 from MCA Website, I note that Nishant Jain (Noticee 1) and Mahendra Kumar Baid are also the promoters of Tradeswift Broking Pvt Ltd and further, Tradeswift Broking Pvt Ltd was one of the promoter group entities of BAFL as on quarter ended December 2016. From list of shareholders from MCA Website, I find that Noticee 1 held 200 shares i.e. 2% shareholding under public category in Jaipur Infragold Private Limited (Noticee 5) as on 31.03.2016 till 31.03.2019. From perusal of the KYC of Noticee 5 obtained from the trading member viz. Tradeswift Broking Private Ltd vide email dated 08.06.2020, I observe that Mahendra Kumar Baid, promoter of BAFL, held 99% shareholding in Jaipur Infragold Private Ltd (Noticee 5) as on 28.02.2013. Further, Noticee 5 received off-market transfer of 60000 shares of BAFL from Baid Housing Finance Private Limited, part of Baid Group of companies. Hence, I conclude that Jaipur Infragold Private Limited (Noticee 5) is connected to BFL. Pictorial representation of connection among the entities is given below:



54. As noted from CDSL transaction statement, Noticee 5 had excess of 80000 shares in its demat account as on January 01, 2016. Despite the fact that Noticee 5 had sufficient balance of shares available with it, it had placed only single quantity sell order every time and that too dealt with only an entity connected with BFL i.e. Noticee 1, irrespective of available buy order quantity in the system pending execution. If Noticee 5 genuinely wanted to sell his shareholding, it would have placed shares of larger quantity in the system. Considering the pattern of his trades i.e. selling miniscule quantities of shares in synchronised trades with other connected entities of Group I to influence the price of the scrip, I am inclined to the view that on a preponderance of probabilities, such trades were intended only for manipulation of the price in the scrip of BAFL.

55. I observe that, during Patch I, price of the scrip moved from open price of Rs.12.5 to a high price of Rs.37.85 and Rs.25.35 contributed to the NHP. I also observe that only 6 entities contributed Rs.25.35 to market NHP which was 100.00% of market NHP. I also observe that Noticee 1 and Nirmala Jain contributed Rs.16.80 and Rs. 0.10 respectively to market NHP which was 66.67% of market NHP. The counterparty to the trades was Jaipur Infragold Private Limited (Noticee 5). Further, Noticee 1 and Nirmala Jain were buyers in 79 first trades and contributed Rs.26.50 to market positive LTP and Rs. 13.20 to net LTP. In 78 out of the said 79 first trades, the counterparty was Jaipur Infragold Private Limited (Noticee 5) and all the first trades were the result of single quantity orders placed by Noticee 1, Nirmala Jain and Noticee 5.

56. In this regard, Noticee 5 has not disputed the transactions in the scrip. Noticee 5 has contended that BAFL being less liquid scrip it is possible that new trades might get executed

at positive LTP and the resulting NHP due to such trades would be very high and trades might get executed between the same set of clients. Noticee 5 has also contended that trades done by Nishant Jain and Noticee no. 5 were mixed in nature i.e. positive LTP trades, Negative LTP Trades and Zero LTP trades and quantity and frequency of the orders placed by the clients was not inconsistent with the liquidity then prevailing at the counter of BAFL at the relevant point of time. Noticee 5 has also contended that though the percentage of positive LTP trades was high, such trades were executed by Noticee 5 as an investor and were normal trades with no intention to create false volume and upsetting market equilibrium or to manipulate the price of the scrip. Thus, Noticee 5 has contended that the trades in the shares of BAFL have been executed by Noticees 5 on the basis of prevailing liquidity and market conditions, without any mala fide intention to manipulate the price and to create a false or misleading appearance of trading in the scrip. I find that the aforesaid trading pattern in which Noticee 5 executed trades for miniscule quantities of shares despite having sufficiently high balance of shares available with itself i.e. 82,500 shares as on 01.01.2016, by placing sell orders for miniscule quantities and contributed to LTP and NHP in the scrip during the IP, demonstrates that it had executed the aforesaid trades to manipulate the price of the scrip of BAFL. Thus, I find the aforesaid contentions of Noticee 5 to be devoid of merit.

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

58. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT in the matter of SEBI vs. Kishore R. Ajmera (*Supra*) and Hon'ble SAT and Shri Lakhi Prasad Kheradi vs. SEBI (*Supra*) and also considering preponderance of probabilities, I find that Noticees 1 and 5 had indulged in manipulative trades which contributed to the rise in price in the scrip of BAFL and consequently induced

investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

Contribution to LTP and First trades during Patch 1 by Noticee 6

59. I further observe that during patch 1, trades of Rajiv Maheshwari (Noticee 6), trading through Religare Securities Ltd, contributed Rs.5.08 (i.e. 12.59% to market positive LTP) through 7 buy trades. The entity contributed Rs. 5.08 (i.e. 20.04% to net market LTP) through 7 buy trades. The counterparty to the trades was Jaipur Infragold Private Limited (Noticee 5). Further in all the 7 trades, the buy orders were placed before sell orders and were limit orders in nature. Details of trades are given below:

Trade date	PAN	Client name	Cp_PAN	Cp client name	Order time	Cp order time	Trade rate	Ltp rate	Trd qty	Order qty	Cp order qty
23/02/16	AAAPM1959Q	Rajiv Maheshwari	AACCJ8693D	Jaipur Infragold P Ltd	09:00:00.19	14:53:30.93	13.77	0.65	1	5	1
24/02/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.27	14:13:32.47	14.45	0.68	1	5	1
26/02/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.49	14:59:11.11	15.17	0.72	1	3	1
29/02/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.44	14:39:25.97	15.92	0.75	1	3	1
01/03/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.04	14:55:59.28	16.7	0.78	1	2	1
02/03/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.37	14:55:04.15	17.5	0.80	1	2	1
03/03/16	AAAPM1959Q	-do-	AACCJ8693D	-do-	09:00:00.70	14:42:24.66	18.2	0.70	1	2	1

60. I observe that trades of Rajiv Maheshwari (Noticee 6) contributed Rs.5.08 i.e. 28.22% to market NHP through 7 trades. The counterparty to these trades was Jaipur Infragold Private Limited (Noticee 5). Similarly, the first trades of Rajiv Maheshwari (Noticee 6) contributed

Rs.5.08 to market positive LTP and net LTP through 7 trades. The counterparty to the trades of Noticee 6 was Jaipur Infragold Private Limited (Noticee 5).

61. I observe from order log that in all 7 trades of Rajiv Maheshwari (Noticee 6), he had placed first order for the day and had bought miniscule quantity at rate higher than LTP. During the investigation period, the market positive LTP was Rs. 117.5, out of which Rajiv Maheshwari (Noticee 6) had contributed Rs. 5.08 through 7 trades. I also observe that Rajiv Maheshwari (Noticee 6) had placed orders for purchase on seven distinctive days with miniscule quantity on each day and further, he had placed orders first every day and that too by increasing its price each day compared to its previous day's price and for all these days, the counter party seller was one of the Group I entities only. From the pattern of trading by Noticee 6, I observe that he placed orders for single share at a price higher than the LTP of the scrip consecutively for seven days. On account of such repeated trading pattern, I am inclined to the view that Rajiv Maheshwari (Noticee 6) had carried out trades for miniscule quantity of shares which contributed to increase in the price of the scrip of BAFL with an intention to manipulate the price upwards.

62. Noticee 6 has contended in its reply that he had executed the aforesaid trades without any intent to manipulate and that Noticee 6 continues to own the shares that he had bought in the 7 buy trades executed by him. Thus, Noticee 6 contends that he had not sold his shares or made any gain which shows that he did not indulge in any manipulation. However, I find that the charge against Noticee 6 is that he placed orders for miniscule quantity at a price above the LTP and thereby manipulated the price upwards in 7 buy trades in the scrip of BAFL. I find that the analysis of the BSE Trade log and Order log shows that that in all 7 trades of Rajiv Maheshwari (Noticee 6), he had placed first order for the day and had bought miniscule quantity at rate higher than LTP. During the investigation period, the market positive LTP was Rs. 117.5, out of which Rajiv Maheshwari (Noticee 6) had contributed Rs. 5.08 through 7 trades. I also observe that Rajiv Maheshwari (Noticee 6) had placed orders for purchase on seven distinctive days with miniscule quantity on each day and further, he had placed orders first every day and that too by increasing its price each day compared to its previous day's price and for all these days, the counter party seller was one of the Group I entities only. I am of the view that if Noticee 5 had placed orders with bona fide intent as is being claimed by him, he would not have placed such small orders in the scrip of BAFL in a repetitive manner. Thus, I am inclined to the view that the aforesaid trading pattern of Noticee 6 demonstrates that there was an intent to manipulate the price of the scrip of BAFL

upwards. Based on the foregoing manipulative trading pattern of Noticee 6, I find that the aforesaid contentions of Noticee 6 are devoid of merit.

63. At this juncture, I find it pertinent to refer to the judgement of Hon'ble SAT in the matter of Shreenath Finstock Private Limited vs. SEBI (Appeal No. 186 of 2020; Decided on March 22, 2021) wherein Hon'ble SAT, in the context of alleged price manipulation by means of a large number of small orders, has emphasised that the presence of manipulative trading pattern is crucial in determining liability under Regulations 3 and 4 of PFUTP Regulations, and thus held that, "… *we are of the considered view that the pattern of trading conducted by the appellants clearly establishes an attempt to manipulate the price of the scrip of Nutraplus. While it can be argued that no law prevents a trader from placing orders for one share, placing such orders… repeatedly, as in the instant case, is clearly manipulative in nature… A few such trades occasionally may not fall within the ambit of such manipulation as under Section 12A(a), (b), (c) of SEBI Act, 1992 and the PFUTP Regulations. But by no stretch of imagination we can extend that benefit of doubt to the appellants herein who have indulged in such single share trades… during a limited period. Therefore, irrespective of the connection by the appellants and others. Therefore, irrespective of the connection by the appellants and others… these appeals do not have any merit. Nor these issues are very relevant when it is clear that the pattern of trading conducted by the appellants were clearly of manipulative nature squarely falling under the provisions of the PFUTP Regulations. Therefore, we have no doubt that the impugned order does not suffer from any deficiencies in this regard*." Therefore, in view of the foregoing observations and placing reliance on the aforesaid judgments, I find that Noticee 6 indulged in a manipulative act for the purpose of artificially increasing the price of the scrip of BAFL during the IP.

64. At this juncture, I find it pertinent to discuss the scope and ambit of PFUTP Regulations. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter alia*, prohibit employment of any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulations 4(2)(a), (e) and (g) of the PFUTP Regulations provide that an act in the course of dealing in securities shall be deemed to be fraudulent or an unfair trade practice if it involves indulging in an act which creates a false or misleading appearance of trading in the securities market or manipulates the price of the

scrip or amounts to a transaction executed without the intention of performing it or without intention of change of ownership of a security.

65. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT in the matter of SEBI vs. Kishore R. Ajmera (*Supra*) and Shri Lakhi Prasad Kheradi vs. SEBI (*Supra*) and also considering preponderance of probabilities, I find that Noticee 6 had indulged in manipulative trades which contributed to the rise in price in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

Contribution to NHP, LTP and First Trades during Patch 2 by Group I

66. From the material placed on record, I find that during Patch 2, the entities belonging to Group I contributed Rs.11.40 to positive LTP (i.e. 25.68% to positive LTP) in 70 positive LTP trades and as a group, contributed -Rs. 11.10 to net LTP in 358 trades. Analysis of positive LTP trades of Group I entities shows that in 64 out of 70 positive LTP trades, the counterparties were group entities and through trades among themselves contributed 21.96% to market positive LTP. In remaining 6 positive LTP trades with non-group entities, they contributed 3.72% to market positive LTP.

67. The details of trading by Group I entities during Patch 2 are as under:

Entity Name	**Buy Traded Qty**	**%Buytq**	**Sell Traded Qty**	**%Selltq**	**Net Buy Position**
Pradeep Kumar Jain	13148	16.66%	12140	15.39%	1008
Dharmendra Kumar Jain	8974	11.37%	8706	11.03%	268
Kavita Jain	6770	8.58%	6740	8.54%	30
Dharmendra Jain Huf	5220	6.62%	5220	6.62%	0
Anant Jain	4480	5.68%	4450	5.64%	30
Sandeep Kumar Jain	1880	2.38%	1880	2.38%	0
Jaipur Infragold Private Limited	0	0.00%	3180	4.03%	-3180
Total	**40472**	**51.30%**	**42316**	**53.63%**	**-1844**
Market total	**78900**	**100.00%**	**78900**	**100.00%**	

68. I observe that entities belonging to Group I contributed 51.30% to buy volume and 53.63% to sell volume and thereby contributed 47.40% to market volume through trades amongst the group. The individual trades of the Noticees 2, 3 and 4 are discussed in the subsequent paragraphs.

69. From the BSE Trade log and Order log, I find that the details of first trades carried out by the suspected entities of Group I, with impact on the LTP, during this patch is as follows:-

Clientname	Total Number Of First Trades	Traded Quantity First Trades	Number Of First Trades At Positive Ltp	Net Ltp	Positive Ltp	Number Of First Trades Among Group	Positive Ltp Contribution In First Trades Among Group
Pradeep Kumar Jain	20	1855	6	-1.70	1.85	18	1.80
Dharmendra Kumar Jain	14	1935	6	-1.05	1.10	14	1.10
Dharmendra Jain Huf	2	300	0	-0.65	0.00	2	0.00
Kavita Jain	1	50	0	-0.45	0.00	1	0.00
Anant Jain	1	450	0	-0.10	0.00	1	0.00
Total	**38**	**4590**	**12**	**-3.95**	**2.95**	**36**	**2.90**
Market total	**64**	**6668**	**22**	**-8.25**	**5.95**	**36**	**2.90**

70. As regards the first trades of Pradeep Kumar Jain (Noticee 2) I observe that there were 6 positive first trades which contributed to Rs. 1.85 of positive LTP. There were 5 counterparties, out of which 4 namely, Anant Jain, Dharmendra Jain HUF (Noticee 4), Kavita Jain and Dharmendra Kumar Jain (Noticee 3), who are part of Group I entities.

71. I observe that among the first trades of Dharmendra Kumar Jain (Noticee 3) there were 6 positive first trades which contributed to Rs. 1.10 of positive LTP. The counterparty to all the 6 positive first trades was Pradeep Kumar Jain (Noticee 2), who is part of Group I entities.

72. As regards the first trades of Noticee 4, I find that Noticee 4 along with other members of Group I contributed Rs 2.90 to market positive LTP through first trades among themselves.

73. I observe that trades carried out by Dharmendra Jain HUF [Karta being Dharmendra Kumar Jain (Noticee 3)] contributed Rs. 1.85 to positive LTP (i.e. 4.17% to market positive LTP) through 9 trades. Dharmendra Jain HUF (Noticee 4) contributed Rs. 0.65 to net LTP (i.e. 7.07% to net LTP) through 37 trades.

74. On analyzing the entire trades done by Dharmendra Jain HUF (Noticee 4) during patch 2, I observe that Dharmendra Jain HUF (Noticee 4) purchased a total of 5220 shares in 37 trades and sold 5220 shares as seller in 34 trades i.e. net position of Dharmendra Jain HUF (Noticee 4) was zero in patch 2. As buyer, the counterparties of Dharmendra Jain HUF (Noticee 4) were four Group I entities namely, Anant Jain, Kavita Jain, Pradeep Kumar Jain, Dharmendra Kumar Jain (Noticee 3) and two non-suspected entities namely, Kanta Parewa and Thar Commodities Pvt Ltd. As seller, the counterparties of Dharmendra Jain HUF (Noticee 4) were four Group I entities namely, Kavita Jain, Pradeep Kumar Jain (Noticee 2), Anant Jain, Dharmendra Kumar Jain (Noticee 3) and one non-suspected entity namely, Thar

Commodities Private Limited. I observe that as buyer, Dharmendra Jain HUF (Noticee 4) placed buy order first in 31 out of 37 trades and as seller, Dharmendra Jain HUF (Noticee 4) placed sell order before the buy order in 7 out of 34 trades.

75. Trades of Dharmendra Jain HUF (Noticee 4) were done only with Group I entities for 33 out of 37 number of buy trades and for 33 out of 34 number of sell trades.

76. Trades carried out by Dharmendra Kumar Jain (Noticee 3), trading through Hindustan Tradecom Private Ltd, contributed Rs. 2.00 to positive LTP (i.e. 4.5% to market positive LTP) through 20 trades. Dharmendra Kumar Jain (Noticee 3) contributed –Rs. 3.70 to net LTP through 77 trades. Dharmendra Kumar Jain (Noticee 3) have done reversal trades on two days namely 13.02.2017 and 16.02.2017 and contributed to 0.24% to market volume.

77. On analysing the entire trades done by Dharmendra Kumar Jain (Noticee 3) during patch 2, I observe that Dharmendra Kumar Jain (Noticee 3) purchased a total of 8974 shares in 77 trades and sold 8706 shares as seller in 70 trades i.e. Dharmendra Kumar Jain (Noticee 3) had a balance of 268 shares. As a buyer, the counterparties to Dharmendra Kumar Jain (Noticee 3) were six Group I entities namely, Anant Jain, Dharmendra Jain HUF (Noticee 4), Pradeep Kumar Jain (Noticee 2), Sandeep Kumar Jain, Kavita Jain, Jaipur Infragold Pvt Ltd (Noticee 5) and 2 non-suspected entities namely, Tribhovandas Praja and Sogarth Mukhiya. As seller, the counterparties of Dharmendra Kumar Jain (Noticee 3) were six Group I entities namely, Pradeep Kumar Jain (Noticee 2), Kavita Jain, Anant Jain, Dharmendra Jain HUF (Noticee 4), Sandeep Kumar Jain and 1 non-suspected entity, namely, Thar Commodities Pvt Ltd. As a buyer, Dharmendra Kumar Jain (Noticee 3) placed buy orders first in 70 out of 77 buy trades and as seller, Noticee 3 placed sell orders before buy order for 22 out of 70 trades.

78. Trades of Dharmendra Kumar Jain (Noticee 3) were done only with Group I entities for 43 out of 77 number of buy trades and for 66 out of 70 number of sell trades.

79. Trades carried out by Noticee 2 contributed Rs. 5.4 to positive LTP (i.e. 12.16% to market positive LTP) through 25 trades. Noticee 2 contributed –Rs. 5.00 to net LTP through 135 trades. Further, I observe that Nishant Jain (Noticee 1) is the terminal user for all trades of Noticee 2.

80. On analysing the entire trades done by Noticee 2 during patch 2, I observe that Noticee 2 purchased a total of 13148 shares in 135 trades and sold 12140 shares as seller in 210

trades i.e. Noticee 2 had a balance of 268 shares. As buyer, the counterparties to Noticee 2 were 5 suspected entities namely, Anant Jain, Dharmendra jain HUF (Noticee 4), Dharmendra Kumar Jain (Noticee 3), Kavita Jain, Sandeep Kumar Jain and 7 non-suspected entities namely, Babulal Hansraj Lakhani, Jayantibhai Tribhovandas Praja, Kanta Parewa, Parvinder Azad, Santhosh Nathu Kangode, Sogarth Mukhiya and Thar Commodities Pvt Ltd. As seller, the counterparties to Noticee 2 were 5 suspected entities namely, Sandeep Kumar Jain, Dharmendra Kumar Jain (Noticee 3), Kavita Jain, Anant Jain, Dharmendra Jain HUF (Noticee 4) and 19 non-suspected entities. As buyer, Noticee 2 placed buy order before sell order for 99 out of 135 buy trades and as seller, the sell order was placed before buy order for 75 out of 210 sell trades. Thus, trades of Noticee 2 were executed only with Group I for 112 instances out of his 135 buy trades and for 127 instances out of his 210 sell trades respectively.

81. During patch 2, Group I contributed Rs. 3.70 to market NHP which was 32.03% of market NHP. As regards the contribution of Pradeep Kumar Jain (Noticee 2) to NHP, I observe that there were 6 trades for 570 shares which contributed to Rs. 1.70 of NHP (i.e. 14.72% to the market NHP). There were 4 counterparties to the trades namely, Thar Commodities Pvt Ltd, Dharmendra Jain HUF (Noticee 4), Sandeep Kumar Jain and Kavita Jain, out of which the last 3 are part of Group I entities.

82. As regards the contribution of Dharmendra Jain HUF (Noticee 4) to NHP, I observe that there were 2 trades for 200 shares which contributed to Rs. 0.90 of NHP (i.e. 7.79% to the market NHP). There were two counterparties to the trades namely, Pradeep Kumar Jain (Noticee 2) and Dharmendra Kumar Jain (Noticee 3) who are part of Group I entities.

83. As regards the contribution of Dharmendra Kumar Jain (Noticee 3) to NHP, I observe that there were 3 trades for 320 shares which contributed to Rs. 0.20 of NHP (i.e. 1.73% to the market NHP). There was only one counterparty to the trades namely, Pradeep Kumar Jain (Noticee 2) who is part of the Group I entities.

84. I observe that during patch 2 of the IP, out of entities belonging to Group I, Dharmendra Jain HUF (Noticee 4) contributed 7.07% to net LTP and 7.79% to NHP.

85. I observe that Noticee 5 sold total of 3180 shares through 27 trades in 3 trading days, out of which 2050 shares i.e. 70.13% of its shares were sold through 16 trades to Sandeep Kumar Jain, Dharmendra Kumar Jain (Noticee 3), Kavita Jain and Anant Jain, who are part of group of entities belonging to Group I. Remaining 1130 shares were sold through 11 trades to 3

non-suspected entities namely, Kanta Parewa, Thar Commodities Private Ltd and Vijay Lata Bhandari. I observe that the quantity of shares traded among Noticees 1 to 5, forming part of Group I entities, was higher in comparison to the trades executed with the non-suspected entities. I observe that Jaipur Infragold Private Limited (Noticee 5) was the top net seller with 3180 shares sold which amounted to 4.03% contribution to market volume through net sell volume, out of which the entities belonging to Group I were counterparties to the sale of 2230 shares (i.e. 70.13% of its shares).

86. I note that Noticees 2, 3 and 4 have stated in their replies that they have not done any manipulative trades and no specific allegations were levelled against them, hence they do not have any comments to offer on the same. I find that the Noticees 2, 3 and 4 have merely denied that they had executed manipulative trades. However, the data pertaining to their trades as illustrated above clearly demonstrates that they had executed trades within Group I entities and contributed to the rise in price in the scrip of BAFL. As established above, Noticees 2, 3 and 4 were connected entities and had executed such trades in coordination with the connected entities. Therefore, I do not find any merit in the aforementioned contentions In view of the observations made earlier in respect of the trades executed by said Noticees, I find that the said Noticees indulged in manipulative trades which contributed to market volumes in order to manipulate price in the scrip and give a false and misleading appearance of trading in the scrip of BAFL at BSE.

87. At this juncture, I find it pertinent to refer to decision of Hon’ble Supreme Court of India in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (Civil Appeal No. 2595 of 2013; Decided on September 20, 2017), and the definition of fraud laid down in Regulation 2(1)(c) of PFUTP Regulations, as discussed above, I find that the aforesaid trades executed by Noticees 2 to 5 which contributed to LTP and NHP in the scrip, induced investors to trade in the scrip of BAFL which was tantamount to fraud.

88. At this juncture, I find it pertinent to discuss the scope and ambit of PFUTP Regulations. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter alia,* prohibit employment of any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulations 4(2)(a), (e) and (g) of the PFUTP Regulations provide that an act in the course of dealing in securities shall be deemed to be

fraudulent or an unfair trade practice if it involves indulging in an act which creates a false or misleading appearance of trading in the securities market or manipulates the price of the scrip or amounts to a transaction executed without the intention of performing it or without intention of change of ownership of a security.

89. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matters of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) and M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012) as discussed above.

90. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT and also considering preponderance of probabilities, I find that Noticees 2 to 5 had indulged in manipulative trades which contributed to the rise in price in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

Contribution to NHP, LTP and First trades during Patch 3 by Group I

91. Details of the analysis of trades carried out by the entities belonging to Group I as buyers, with positive impact on LTP, during Patch 3 is as follows:

Entity Name	**All trades**			**LTP Diff > 0**			**LTP Diff < 0**			**LTP Diff = 0**		**% Ltp**
	Ltp Rate	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Traded Qty**	**No. Of Trades**	
Dharmendra Kumar Jain	3.75	1010	7	4.55	380	2	-0.80	50	1	580	4	13.79%
Pradeep Kumar Jain	2.40	861	17	7.85	130	5	-5.45	41	5	690	7	23.79%
Total	**6.15**	**1871**	**24**	**12.40**	**510**	**7**	**-6.25**	**91**	**6**	**1270**	**11**	**37.58%**
Market total	**21.95**	**14571**	**144**	**33.00**	**5198**	**35**	**-11.05**	**670**	**13**	**8703**	**96**	**100.00%**

92. During patch 3, I observe that Pradeep Kumar Jain (Noticee 2) purchased a total of 861 shares in 17 trades and sold 1080 shares as seller in 18 trades i.e. he had a balance of 260 shares. As buyer, Noticee 2 bought 500 shares from Dharmendra Kumar Jain through 7 trades which contributed to LTP of Rs.2.10. Remaining 361 shares were purchased from 4 non-suspected entities Thar Commodities Pvt Ltd, Saianad, Raj Kumari Hirawat and

Waseem Ahmad through 10 trades. As seller, Noticee 2 sold 870 out of 1080 shares through 5 trades to counterparty namely, Dharmendra Kumar Jain (Noticee 3), a suspected entity. Remaining 210 shares were sold to 4 non-suspected entities namely, Purnachander Moogala, Johns Paul, Nirav Rajababu Gandhi and Thar Commodities Pvt Ltd through 13 trades. Net LTP as buyer for 17 trades was Rs. 2.40 and net LTP as seller for 18 trades was Rs. 4.80. Trades carried out by Pradeep Kumar Jain (Noticee 2) contributed Rs. 7.85 to positive LTP (i.e. 23.79% to market positive LTP) through 5 trades. He contributed Rs. 2.40 to net LTP (i.e. 10.93% to net LTP) through 17 trades.

93. From transaction cum holding statement provided by CDSL vide email dated 23.09.2020, I observe that Pradeep Kumar Jain (Noticee 2) had no shareholding in the scrip of BAFL prior to the trades.

94. I observe that, during the price rise, two of the entities belonging to Group I, Dharmendra Kumar Jain (Noticee 3) and Pradeep Kumar Jain (Noticee 2) contributed Rs. 6.15 to net LTP and Rs.12.40 to the positive LTP which is 37.58% of market positive LTP as a group. I observe that 2 suspected entities, viz. Dharmendra Kumar Jain (Noticee 3) and Pradeep Kumar Jain (Noticee 2) contributed 13.79% and 23.79%, respectively, to market positive LTP. The entities contributed 17.08% and 10.93% respectively to net LTP.

95. Further, I find that Pradeep Kumar Jain (Noticee 2) and Dharmendra Kumar Jain (Noticee 3) contributed 13.83% and 18.72% to the market NHP. Also, Pradeep Kumar Jain (Noticee 2) and Dharmendra Kumar Jain (Noticee 3) were involved in first trades contributing to Rs. 4.55 and Rs. 1.50 of positive LTP. I also find that the aforesaid two Noticees 2 and 3 contributed 12.84% to buy volume and 12.56% to sell volume.

96. On analysing the entire trades done by Noticee 3 during patch 3, I observe that the entity purchased a total of 1010 shares in 7 trades and sold 750 shares as seller in 8 trades i.e. he had a balance of 260 shares. As a buyer, he purchased 870 out of 1010 shares through 4 trades from Pradeep Kumar Jain (Noticee 2), a suspected entity. Remaining 140 shares were purchased from two non-suspected entities namely, Arpit Tambi HUF and Thar Commodities Pvt Ltd through 3 trades. On analysis of buy trades, I find that Dharmendra Kumar Jain (Noticee 3) placed the buy orders before the sell orders for 6 out of 7 trades.

97. As seller, Noticee 3 sold 500 out of 750 through 7 trades shares to counterparty namely, Pradeep Kumar Jain (Noticee 2), a suspected entity. Remaining 250 shares were sold through 1 trade to Thar Commodities Pvt Ltd, a non-suspected entity. Net LTP as buyer for 7 trades was Rs. 3.75 and net LTP as seller for 8 trades was Rs. 2.50.

98. I observe that trades carried out by Dharmendra Kumar Jain (Noticee 3) contributed Rs. 4.55 to positive LTP (i.e. 13.79% to market positive LTP) through 2 trades. The entity contributed Rs. 3.75 to net LTP (i.e. 17.08% to net LTP) through 7 trades.

99. As regards the contribution of Dharmendra Kumar Jain (Noticee 3) to NHP, I observe that there were 2 trades for 380 shares which he contributed to Rs. 4.40 of NHP (i.e. 18.72% to the market NHP). There were two counterparties to the trades namely, Arpit Tambi HUF and Pradeep Kumar Jain (Noticee 2) who is part of the Group I entities.

100. As regards the contribution of Pradeep Kumar Jain (Noticee 2) to NHP, I observe that there were 2 trades for 20 shares which contributed to Rs. 3.25 of NHP (i.e. 13.83% to the market NHP). There were two counterparties to the trades namely, Raj Kumari Hirawat and Dharmendra Kumar Jain (Noticee 3) who were part of the Group I entities.

101. Details of the analysis of first trades carried out by the Group I entities during Patch 3 is as follows:

Entity name	**Total Number Of First Trades**	**Traded Quantity First Trades**	**Number Of First Trades At Positive Ltp**	**Net Ltp**	**Positive Ltp**	**Number Of First Trades Among Group**	**Positive Ltp Contribution In First Trades Among Group**
Pradeep Kumar Jain	4	40	2	1.50	4.55	1	1.80
Dharmendra Kumar Jain	2	380	2	4.55	4.55	1	1.40
Total	**6**	**420**	**4**	**6.05**	**9.10**	**2**	**3.20**
Market total	**13**	**775**	**8**	**12.35**	**18.85**	**2**	**3.20**

102. As regards the first trades of Pradeep Kumar Jain (Noticee 2), I observe that there were 2 positive first trades which contributed to Rs. 1.80 of positive LTP. The counterparties to the trades were Raj Kumari Hirawat and Dharmendra Kumar Jain (Noticee 3).

103. As regards the first trades of Dharmendra Kumar Jain (Noticee 3), I observe that there were 2 positive first trades which contributed to Rs. 1.40 of positive LTP. The counterparties to the trades were Arpit Thambi HUF and Pradeep Kumar Jain (Noticee 2).

104. I note that Noticees 2 and 3 have stated in their replies that they have not done any manipulative trades and no specific allegations were levelled against them, hence they do not have any comments to offer on the same. I find that the Noticees 2 and 3 have merely denied that they had executed manipulative trades. However, the data pertaining to their trades as illustrated above clearly demonstrates that they had executed trades within Group I entities and contributed to the rise in price in the scrip of BAFL. As established above, Noticees 2 and 3 were connected entities and had executed such trades in coordination with the connected entities. Therefore, I do not find any merit in the aforementioned contentions In view of the observations made earlier in respect of the trades executed by said Noticees, I find that the said Noticees indulged in manipulative trades which contributed to market volumes in order to manipulate price in the scrip and give a false and misleading appearance of trading in the scrip of BAFL at BSE.

105. At this juncture, I find it pertinent to refer to decision of Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (Civil Appeal No. 2595 of 2013; Decided on September 20, 2017), and the definition of fraud laid down in Regulation 2(1)(c) of PFUTP Regulations, as discussed above, I find that the aforesaid trades executed by Noticees 1 to 5 which contributed to LTP and NHP in the scrip, induced investors to trade in the scrip of BAFL which was tantamount to fraud.

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

107. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I

place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matters of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) and M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012) as discussed above.

108. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT and also considering preponderance of probabilities, I find that Noticees 2 and 3 had indulged in manipulative trades which contributed to the rise in price in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

Contribution to NHP, LTP and First trades during Patch 2 by Group II

109. I observe that during Patch 2 entities belonging to Group II contributed Rs.7.70 to net LTP and Rs.16.15 to positive LTP in 130 positive LTP trades. The analysis of counterparties to their positive LTP trades shows that in their 129 positive LTP trades, the counterparties were group entities, trading for 11468 shares and through the 129 trades among themselves they contributed Rs. 16 i.e. 36.04% to market positive LTP. The details of trades carried out by Noticees 7 to 15 forming part of Group II are as follows:

	All trades			**Positive LTP trades**			**Negative LTP trades**			**Zero LTP trades**		**% Ltp**
Client Name	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Traded Qty**	**No. Of Trades**	
Bhagavatiben Vishnubhai Patel	2.20	5401	98	6.00	2095	23	-3.80	1251	18	2055	57	13.51%
Vinod Solanki	2.00	4276	67	2.80	2225	28	-0.80	385	7	1666	32	6.31%
Bharti Sharma	1.20	5917	88	1.35	2114	21	-0.15	300	3	3503	64	3.04%
Babulal Hansraj Lakhani	1.20	2244	35	1.45	1113	13	-0.25	249	2	882	20	3.27%
Dhirajbhai Baladevji Thakor	0.85	6596	107	2.10	1057	11	-1.25	1133	11	4406	85	4.73%
Jasmin Indu Shah	0.55	400	4	0.55	299	2	0.00	0	0	101	2	1.24%
Pinesh Nareshkumar Shah	0.25	2957	55	0.30	399	5	-0.05	100	1	2458	49	0.68%
Roshanlal Daulatram Aggarwal	0.15	200	2	0.15	200	2	0.00	0	0	0	0	0.34%
Suresh Piraji Marvadi	-0.15	200	3	0.05	100	1	-0.20	50	1	50	1	0.11%
Mahendrabhai Naranbhai Patel	-0.20	967	18	0.00	0	0	-0.20	133	2	834	16	0.00%
Ramanlal Ravchand Shah	-0.35	4151	67	1.40	1867	24	-1.75	865	10	1419	33	3.15%
Total	**7.70**	**33309**	**544**	**16.15**	**11469**	**130**	**-8.45**	**4466**	**55**	**17374**	**359**	**36.37%**

Market total	9.20	78900	1004	44.40	25072	267	-35.20	14277	135	39551	602	100.00%

110. I observe that Noticees 7 to 15, forming part of Group II entities contributed 42.22% to buy volume and 42.22% to sell volume and contributed 42.22% to market volume through trades within the group. Further, net position of these entities was zero because they had bought and sold equivalent quantities of shares amongst themselves. The buy and sell quantity of the trades executed among Noticees 7 to 15 are given as under:

Clientname	Buy Traded Qty	%Buytq	Sell Traded Qty	%Selltq	Net Position
Dhirajbhai Baladevji Thakor	6596	8.36%	6596	8.36%	0
Bharti Sharma	5917	7.50%	5917	7.50%	
Bhagavatiben Vishnubhai Patel	5401	6.85%	5401	6.85%	
Vinod Solanki	4276	5.42%	4276	5.42%	
Ramanlal Ravchand Shah	4151	5.26%	4151	5.26%	
Pinesh Nareshkumar Shah	2957	3.75%	2957	3.75%	
Babulal Hansraj Lakhani	2244	2.84%	2244	2.84%	
Mahendrabhai Naranbhai Patel	967	1.23%	967	1.23%	
Jasmin Indu Shah	400	0.51%	400	0.51%	
Roshanlal Daulatram Aggarwal	200	0.25%	200	0.25%	
Suresh Piraji Marvadi	200	0.25%	200	0.25%	
Total	**33309**	**42.22%**	**33309**	**42.22%**	
Market total	**78900**	**100.00%**	**78900**	**100.00%**	

111. I observe that trades carried out by Noticee 10 contributed Rs. 6 to positive LTP (i.e. 13.15% to market positive LTP) through 23 trades. I also observe that Noticee 10 contributed Rs. 2.20 to net LTP (i.e. 23.91% to net LTP) through 98 trades.

112. On analysing the entire trades done by Noticee 10 during patch 2, I observe that Noticee 10 purchased a total of 5401 shares in 98 trades and sold 5401 shares as seller in 89 trades i.e. the net position of Noticee 10 was zero. As buyer, the counterparties to Noticee 10 were 8 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Roshanlal Daulatram Aggarwal and Vinod Solanki (Noticee 9), who are part of Group II. As seller, the counterparties to Noticee 10 were 8 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Roshanlal Daulatram Aggarwal and Vinod Solanki (Noticee 9), who are part of Group II. As buyer, Noticee 10 placed buy order before sell order for 18 out of 98 buy trades and as seller, the sell order was placed before buy order for 53 out of 89 sell trades.

113. I observe that, trades carried out by Noticee 9, trading through Berkeley Securities Limited, contributed Rs. 2.80 to positive LTP (i.e. 6.31% to market positive LTP) through 28 trades. Noticee 9 contributed Rs. 2.00 to net LTP (i.e. 21.74% to net LTP) through 67 trades.

114. On analysing the entire trades done by Noticee 9 during patch 2, I observe that Noticee 9 purchased a total of 4276 shares in 67 trades and sold 4276 shares as seller in 71 trades i.e. the net position of Noticee 9 was zero. As buyer, the counterparties to Noticee 9 were 6 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bhagavatiben Vishnubhai Patel (Noticee 10), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15) and Ramanlal Ravchand Shah (Noticee 8), who are part of Group II. As seller, the counterparties to Noticee 9 were 6 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bhagavatiben Vishnubhai Patel (Noticee 10), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15) and Ramanlal Ravchand Shah (Noticee 8), who are part of Group II. As buyer, Noticee 9 placed buy order before sell order for 25 out of 67 buy trades and as seller, the sell order was placed before buy order for 65 out of 71 sell trades.

115. I observe that trades carried out by Noticee 12 contributed Rs. 1.35 to positive LTP (i.e. 3.04% to market positive LTP) through 21 trades. Noticee 12 contributed Rs. 1.20 to net LTP (i.e. 13.04% to net LTP) through 88 trades.

116. On analysing the entire trades done by Noticee 12 during patch 2, I observe that Noticee 12 purchased a total of 5917 shares in 88 trades and sold 5917 shares as seller in 93 trades i.e. the net position of Noticee 12 was zero. As buyer, the counterparties to Noticee 12 were 8 entities namely, Babulal Hansraj Lakhani (Noticee 7), Jasmin Indu Shah (Noticee 14), Dhirajbhai Baladevji Thakor (Noticee 11), Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noitcee 9), Pinesh Nareshkumar Shah (Noticee 13), Mahendrabhai Naranbhai Patel (Noticee 15), Ramanlal Ravchand Shah (Noticee 8), who are part of Group II. As seller, the counterparties to Bharti Sharma were 8 entities namely, Jasmin Indu Shah (Noticee 14), Suresh Piraji Marvadi, Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13), Mahendrabhai Naranbhai Patel (Noticee 15), Ramanlal Ravchand Shah (Noticee 8), who are part of Group II. As buyer, Noticee 12 placed buy order before sell order for 29 out of 88 buy trades and as seller, the sell order was placed before buy order for 72 out of 93 sell trades.

117. I observe that trades carried out by Noticee 7 contributed Rs. 1.45 to positive LTP (i.e. 3.27% to market positive LTP) through 13 trades. Noticee 7 contributed Rs. 1.20 to net LTP (i.e. 13.04% to net LTP) through 35 trades.

118. On analysing the entire trades done by Noticee 7 during patch 2, I observe that Noticee 7 purchased a total of 2244 shares in 35 trades and sold 2244 shares as seller in 32 trades i.e. the net position of Noticee 7 was zero. As buyer, the counterparties to Noticee 7 were 8 entities namely, Suresh Piraji Marvadi, Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Pradeep Kumar Jain (Noticee 2), Bhagavatiben Vishnubhai Patel (Noticee 10), Roshanlal Daulatram Aggarwal, Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), who are part of Group II. As seller, the counterparties to Noticee 7 were 7 entities namely, Bharti Sharma (Noticee 12), Jasmin Indu Shah (Noticee 14), Dhirajbhai Baladevji Thakor (Noticee 11), Bhagavatiben Vishnubhai Patel (Noticee 10), Pradeep Kumar Jain (Noticee 2), Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), who are part of Group II. As buyer, Noticee 7 placed buy order before sell order for 1 out of 35 buy trades and as seller, the sell order was placed before buy order for 20 out of 32 sell trades.

119. I observe that trades carried out by Noticee 11 contributed Rs. 2.10 to positive LTP (i.e. 4.73% to market positive LTP) through 11 trades. Noticee 11 contributed Rs. 0.85 to net LTP (i.e. 9.24% to net LTP) through 107 trades.

120. On analysing the entire trades done by Noticee 11 during patch 2, I observe that Noticee 11 purchased a total of 6596 shares in 107 trades and sold 6596 shares as seller in 99 trades i.e. the net position of Noticee 11 was zero. As buyer, the counterparties to Noticee 11 were 9 entities namely, Jasmin Indu Shah (Noticee 14), Suresh Piraji Marvadi, Mahendrabhai Naranbhai Patel (Noticee 15), Babulal Hansraj Lakhani (Noticee 7), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Ramanlal Ravchand Shah (Noticee 8), Pinesh Nareshkumar Shah (Noticee 13), who are part of Group II. As seller, the counterparties to Noticee 11 were 9 entities namely, Suresh Piraji Marvadi, Babulal Hansraj Lakhani (Noticee 7), Bharti Sharma (Noticee 12), Roshanlal Daulatram Aggarwal, Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Bhagavatiben Vishnubhai Patel (Noticee 10), Mahendrabhai Naranbhai Patel (Noticee 15), who are part of Group II. As buyer, Noticee 11 placed buy order before sell order for 27 out of 107 buy trades and as seller, the sell order was placed before buy order for 69 out of 99 sell trades.

121. I observe that trades carried out by Noticee 14, trading through India Advantage Securities Pvt Limited, contributed Rs. 0.55 to positive LTP (i.e. 1.24% to market positive LTP) through 2 trades. Noticee 14 contributed Rs. 0.55 to net LTP (i.e. 5.98% to net LTP) through 4 trades.

122. On analysing the entire trades done by Noticee 14 during patch 2, I observe that Noticee 14 purchased a total of 400 shares in 4 trades and sold 400 shares as seller in 4 trades i.e. the net position of Noticee 14 was zero. As buyer, the counterparties to Noticee 14 were 2 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bharti Sharma (Noticee 12), who are part of Group II. As seller, the counterparties to Noticee 14 were 3 entities namely, Bharti Sharma (Noticee 12), Dhirajbhai Baladvji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), who are part of Group II. As buyer, Noticee 14 placed buy order before sell order for 1 out of 4 buy trades and as seller, the sell order was placed before buy order for 3 out of 4 sell trades.

123. I observe that trades carried out by Noticee 13 contributed Rs. 0.30 to positive LTP (i.e. 0.68% to market positive LTP) through 5 trades. Noticee 13 contributed Rs. 0.25 to net LTP (i.e. 2.72% to net LTP) through 55 trades.

124. On analysing the entire trades done by Noticee 13 during patch 2, I observe that Noticee 13 purchased a total of 2957 shares in 55 trades and sold 2957 shares as seller in 66 trades i.e. the net position of Noticee 13 was zero. As buyer, the counterparties to Noticee 13 were 5 entities namely, Ramanlal Ravchand Shah (Noticee 8), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), Bhagavatiben Vishnubhai Patel (Noticee 10), Mahendrabhai Naranbhai Patel (Noticee 15), who are part of Group II. As seller, the counterparties to Noticee 13 were 5 entities namely, Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Ramanlal Ravchand Shah (Noticee 8), Bhagavatiben Vishnubhai Patel (Noticee 10), Mahendrabhai Naranbhai Patel (Noticee 15), who are part of Group II. As buyer, Noticee 13 placed buy order before sell order for 17 out of 55 buy trades and as seller, the sell order was placed before buy order for 53 out of 66 sell trades.

125. I also observe that the trades carried out by Noticee 15 contributed - Rs. 0.20 to net LTP (i.e. -2.17% to net LTP) through 18 trades.

126. On analysing the entire trades done by Noticee 15 during patch 2, I observe that Noticee 15 purchased a total of 967 shares in 18 trades and sold 967 shares as seller in 15 trades i.e. the net position of Noticee 15 was zero. As buyer, the counterparties to Noticee 15 were 7 entities namely, Jasmin Indu Shah (Noticee 14), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Bhagavatiben Vishnubhai Patel (Noticee 10), Bharti Sharma (Noticee 12), Dhirajbhai Baladevji Thakor (Noticee 11), who are part of Group II. As seller, the counterparties to Noticee 15 were 6 entities namely, Dhirajbhai Baladevji Thakor (Noticee 11), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Bhagavatiben Vishnubhai Patel (Noticee 10), Bharti Sharma (Noticee 12), Vinod Solanki (Noticee 9), who are part of Group II. As buyer, Noticee 15 placed buy orders before sell order for 9 out of 18 buy trades and as seller, the sell order was placed before buy order for 9 out of 15 sell trades.

127. I observe that trades carried out by Noticee 8 contributed Rs. 1.40 to positive LTP (i.e. 3.15% to market positive LTP) through 24 trades. Noticee 8 contributed -Rs. 0.20 to net LTP (i.e. -3.80% to net LTP) through 67 trades.

128. On analysing the entire trades done by Noticee 8 during patch 2, I observe that Noticee 8 purchased a total of 4151 shares in 67 trades and sold 4151 shares as seller in 69 trades i.e. the net position of Noticee 8 was zero. As buyer, the counterparties to Noticee 8 were 7 entities namely, Bhagavatiben Vishnubhai Patel (Noticee 10), Babulal Hansraj Lakhani (Noticee 7), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), who are part of Group II. As seller, the counterparties to Noticee 8 were 7 entities namely, Babulal Hansraj Lakhani (Noticee 7), Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Dhirajbhai Baladevji Thakor (Noticee 11), Pinesh Nareshkumar Shah (Noticee 13), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), who are part of Group II. As buyer, Noticee 8 placed buy orders before sell order for 14 out of 67 buy trades and as seller, the sell order was placed before buy order for 53 out of 69 sell trades.

129. I observe that the Group II contributed Rs.0.90 to market NHP. This was 7.79% of market NHP. In trades within the Group, Group II contributed Rs.0.90 to market NHP.

130. As regards the contribution of Dhirajbhai Baladevji Thakor (Noticee 11) to NHP, I observe that there was 1 trade for 100 shares which contributed to Rs. 0.50 to NHP (i.e. 4.33% to

the market NHP). The counterparty was Bharti Sharma (Noticee 12), part of Group II entities.

131. As regards the contribution of Vinod Solanki (Noticee 9) to NHP, I observe that there were 2 trades for 200 shares which contributed to Rs. 0.35 of NHP (i.e. 3.03% to the market NHP). The counterparties were Ramanlal Ravchand Shah (Noticee 8) and Bharti Sharma (Noticee 12), part of Group II entities.

132. As regards the contribution of Ramanlal Ravchand Shah (Noticee 8) to NHP, I observe that there was 1 trade for 100 shares which contributed to Rs. 0.05 of NHP (i.e. 0.43% to the market NHP). The counterparty to the aforesaid trade of Noticee 8 was Vinod Solanki (Noticee 9), who was part of Group II entities.

133. From the BSE Trade log and Order log, I find that the details of first trades carried out by the suspected entities of Group II, with impact on the LTP, during this patch is as follows:-

Clientname	**Total Number Of First Trades**	**Traded Quantity First Trades**	**Number Of First Trades At Positive Ltp**	**Net Ltp**	**Positive Ltp**	**Number Of First Trades Among Group**	**Positive Ltp Contribution In First Trades Among Group**
Bhagavatiben Vishnubhai Patel	11	948	4	-1.10	0.65	11	0.65
Dhirajbhai Baladevji Thakor	2	150	1	-0.25	0.20	2	0.20
Vinod Solanki	2	200	1	0.45	0.80	2	0.80
Ramanlal Ravchand Shah	2	220	1	-0.90	0.20	2	0.20
Babulal Hansraj Lakhani	1	50	0	-0.20	0.00	1	0.00
Total	**18**	**1568**	**7**	**-2.00**	**1.85**	**18**	**1.85**
Market total	**64**	**6668**	**22**	**-8.25**	**5.95**	**18**	**1.85**

134. I observe that Group II entities were buyers in 18 first trades and contributed Rs.1.85 to market positive LTP. In first trades within the Group, Group II contributed Rs.1.85 to positive LTP.

135. As regards the first trades of Bhagavatiben Vishnubhai Patel (Noticee 10), I observe that there were 4 positive first trades which contributed to Rs. 0.65 of positive LTP. There were 3 counterparties namely, Vinod Solanki (Noticee 9), Ramanlal Ravchand Shah (Noticee 8) and Bharti Sharma (Noticee 12), who are part of Group II entities.

136. As regards the first trades of Dhirajbhai Baladevji Thakor (Noticee 11), I observe that there was 1 positive first trade which contributed to Rs. 0.20 of positive LTP. There was 1 counterparty namely, Ramanlal Ravchand Shah (Noticee 8) who is part of Group II entities.

137. As regards the first trades of Vinod Solanki (Noticee 9), I observe that there was 1 positive first trade which contributed to Rs. 0.80 of positive LTP. There was 1 counterparty namely, Ramanlal Ravchand Shah (Noticee 8) who is part of Group II entities.

138. As regards the first trades of Ramanlal Ravchand Shah (Noticee 8), I observe that there was 1 positive first trade which contributed to Rs. 0.20 of positive LTP. There was 1 counterparty namely, Bharti Sharma (Noticee 12), who is part of Group II entities.

139. From the foregoing observations on LTP contribution by Group II entities, I observe that 6 out of 11 entities of Group II namely, Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Bharti Sharma (Noticee 12), Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Jasmin Indu Shah (Noticee 14) have contributed 23.91%, 21.74%, 13.04%, 13.04%, 9.24% and 5.98% respectively to net LTP. Vinod Solanki (Noticee 9) and Dhirajbhai Baladevji Thakor (Noticee 11) have also contributed 3.03% and 4.33% respectively to NHP. Hence, I find that Bhagavatiben Vishnubhai Patel (Noticee 10), Vinod Solanki (Noticee 9), Bharti Sharma (Noticee 12), Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Jasmin Indu Shah (Noticee 14) had significantly contributed to price rise in the scrip by way of trading within the group.

Contribution to NHP, LTP and First trades during Patch 3 by Group II

140. Details of the analysis of trades carried out by Group II entities as buyers, with positive impact on LTP, during Patch 3 is as follows:

Table 41

	All trades			**Positive LTP trades**			**Negative LTP trades**			**Zero LTP trades**		**% Ltp**
Entity Name	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Ltp Rate**	**Traded Qty**	**No. Of Trades**	**Traded Qty**	**No. Of Trades**	
Dhirajbhai Baladevji Thakor	4.80	1150	11	4.80	225	2	0.00	0	0	925	9	14.55%
Ramanlal Ravchand Shah	2.10	1600	12	2.10	674	4	0.00	0	0	926	8	6.36%
Pinesh Nareshkumar Shah	1.00	2100	11	1.00	1000	3	0.00	0	0	1100	8	3.03%
Bhagavatiben Vishnubhai Patel	0.50	1750	17	0.50	200	2	0.00	0	0	1550	15	1.52%
Vinod Solanki	0.45	600	6	0.45	200	2	0.00	0	0	400	4	1.36%
Bharti Sharma	0.20	1650	15	0.25	799	5	-0.05	99	1	752	9	0.76%
Mahendrabhai Naranbhai Patel	-0.75	2400	27	0.55	350	2	-1.30	450	4	1600	21	1.67%
Total	**8.30**	**11250**	**99**	**9.65**	**3448**	**20**	**-1.35**	**549**	**5**	**7253**	**74**	**29.24%**
Market total	**21.95**	**14571**	**144**	**33.00**	**5198**	**35**	**-11.05**	**670**	**13**	**8703**	**96**	**100.00%**

141. I observe that Group II entities contributed Rs.8.30 to net LTP and Rs.9.65 to positive LTP in 20 positive LTP trades. Counterparties to their positive LTP trades were analysed and I observe that in their 19 positive LTP trades of 2698 shares, the counterparties were group entities and through trades among themselves they contributed 26.52% to market positive LTP. In remaining 1 positive LTP trades with non-group entities, they contributed Rs.0.9 to positive LTP.

142. I observe that trades carried out by Dhirajbhai Baladevji Thakor (Noticee 11) contributed Rs. 4.80 to positive LTP (i.e. 14.55% to market positive LTP) through 2 trades. The entity contributed Rs. 4.80 to net LTP (i.e. 21.87% to net LTP) through 11 trades.

143. On analysing the entire trades done by Dhirajbhai Baladevji Thakor (Noticee 11) during patch 3, I observe that Noticee 11 purchased a total of 1150 shares in 11 trades and sold 1150 shares as seller in 11 trades i.e. the net position of entity was zero. As buyer, the counterparties to Dhirajbhai Baladevji Thakor were 5 entities namely, Ramanlal Ravchand Shah (Noticee 8), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10), Pinesh Nareshkumar Shah (Noticee 13), who are part of Group II entities. As seller, the counterparties to Dhirajbhai Baladevji Thakor were 5 entities namely, Vinod Solanki (Noticee 9), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10), Pinesh Nareshkumar Shah (Noticee 13), who are part of Group II entities. As buyer, Dhirajbhai Baladevji Thakor (Noticee 11) placed buy order before sell order for 2 out of 11 buy trades and as seller, the sell order was placed before buy order for 6 out of 11 sell trades.

144. I observe that trades carried out by Ramanlal Ravchand Shah (Noticee 8) contributed Rs. 2.10 to positive LTP (i.e. 6.36% to market positive LTP) through 4 trades. Ramanlal Ravchand Shah (Noticee 8) contributed Rs. 2.10 to net LTP (i.e. 9.57% to net LTP) through 12 trades.

145. On analysing the entire trades done by Ramanlal Ravchand Shah (Noticee 8) during patch 3, I observe that the entity purchased a total of 1600 shares in 12 trades and sold 1600 shares as seller in 12 trades i.e. the net position of entity was zero. As buyer, the counterparties to Ramanlal Ravchand Shah (Noticee 8) were 3 entities namely, Bhagavatiben Vishnubhai Patel (Noticee 10), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), who are part of Group II entities. As seller, the counterparties to Ramanlal Ravchand Shah (Noticee 8) were 4 entities namely, Bhagavatiben Vishnubhai

Patel (Noticee 15), Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), Bharti Sharma (Noticee 12), who are part of Group II entities. As buyer, Noticee 8 placed buy orders before sell order for 3 out of 12 buy trades and as seller, the sell order was placed before buy order for 10 out of 12 sell trades.

146. I observe that trades carried out by Pinesh Nareshkumar Shah (Noticee 13) contributed Rs. 1 to positive LTP (i.e. 3.03% to market positive LTP) through 3 trades. Pinesh Nareshkumar Shah (Noticee 13) contributed Rs. 1 to net LTP (i.e. 4.56% to net LTP) through 11 trades.

147. On analysing the entire trades done by Pinesh Nareshkumar Shah (Noticee 13) during patch 3, I observe that he purchased a total of 2100 shares in 11 trades and sold 2100 shares as seller in 13 trades i.e. the net position of entity was zero. As buyer, the counterparties to Pinesh Nareshkumar Shah (Noticee 13) were 5 entities namely, Mahendrabhai Naranbhai Patel (Noticee 15), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10), Nareshbhai Pappubhai Parmar, out of which Mahendrabhai Naranbhai Patel (Noticee 15), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10) are part of Group II. As seller, the counterparties to Pinesh Nareshkumar Shah (Noticee 13) were 5 entities namely, Mahendrabhai Naranbhai Patel (Noticee 15), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10), Nareshbhai Pappubhai Parmar, out of which Mahendrabhai Naranbhai Patel (Noticee 15), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Bhagavatiben Vishnubhai Patel (Noticee 10) are part of Group II entities. As buyer, he placed buy order before sell order for 3 out of 11 buy trades and as seller, the sell order was placed before buy order for 9 out of 13 sell trades.

148. I observe that, trades carried out by Bhagavatiben Vishnubhai Patel (Noticee 10), trading through Swastika Investmart Limited, contributed Rs. 0.5 to positive LTP (i.e. 1.52% to market positive LTP) through 2 trades. The entity contributed Rs. 0.5 to net LTP (i.e. 23.91% to net LTP) through 17 trades.

149. On analysing the entire trades done by Bhagavatiben Vishnubhai Patel (Noticee 10) during patch 3, I find that the entity purchased a total of 1750 shares in 17 trades and sold 1750 shares as seller in 17 trades i.e. the net position of entity was zero. As buyer, the counterparties to Bhagavatiben Vishnubhai Patel (Noticee 10) were 4 entities namely, Mahendrabhai Naranbhai Patel (Noticee 15), Dhirajbhai Baladevji Thakor (noticee 11),

Ramanlal Ravchand Shah (Noticee 8), Pinesh Nareshkumar Shah (Noticee 13), who are part of Group II. As seller, the counterparties to Bhagavatiben Vishnubhai Patel were 5 entities namely, Bharti Sharma, Mahendrabhai Naranbhai Patel, Dhirajbhai Baladevji Thakor, Ramanlal Ravchand Shah, Pinesh Nareshkumar Shah, who are part of Group II. As buyer, the entity placed buy order before sell order for 1 out of 17 buy trades and as seller, the sell order was placed before buy order for 7 out of 17 sell trades

150. I observe that, trades carried out by Vinod Solanki (Noticee 9), trading through Berkeley Securities Limited, contributed Rs. 0.45 to positive LTP (i.e. 1.36% to market positive LTP) through 2 trades. The entity contributed Rs. 0.45 to net LTP (i.e. 2.05% to net LTP) through 6 trades.

151. On analysing the entire trades done by Vinod Solanki (Noticee 9) during patch 3, I observe that the entity purchased a total of 600 shares in 6 trades and sold 600 shares as seller in 7 trades i.e. the net position of entity was zero. As buyer, the counterparties to Vinod Solanki were 2 entities namely, Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15), who are part of Group II. As seller, the counterparty to Vinod Solanki was 1 entity namely, Mahendrabhai Naranbhai Patel, who is part of Group II. As buyer, the entity placed all buy orders after sell order for all 6 buy trades and as seller, the sell order was placed before buy order for 1 out of 7 sell trades.

152. I observe that, trades carried out by Bharti Sharma (Noticee 12), trading through Tradebulls Securities Pvt Limited, contributed Rs. 0.25 to positive LTP (i.e. 0.76% to market positive LTP) through 5 trades. The entity contributed Rs. 0.20 to net LTP (i.e. 0.91% to net LTP) through 15 trades.

153. On analysing the entire trades done by Bharti Sharma (Noticee 12) during patch 3, I observe that the entity purchased a total of 1650 shares in 15 trades and sold 1650 shares as seller in 14 trades i.e. the net position of entity was zero. As buyer, the counterparties to Bharti Sharma were 5 entities namely, Dhirajbhai Baladevji Thakor (noticee 11), Bhagavatiben Vishnubhai Patel (Noticee 10), Pinesh Nareshkumar Shah (Noticee 13), Mahendrabhai Naranbhai Patel (Noticee 15), Ramanlal Ravchand Shah (Noticee 8), who are part of Group II. As seller, the counterparties to Bharti Sharma were 4 entities namely, Dhirajbhai Baladevji Thakor, Pinesh Nareshkumar Shah, Mahendrabhai Naranbhai Patel, Ramanlal Ravchand Shah, who are part of Group II. As buyer, the entity placed buy order before sell

order for 1 out of 15 buy trades and as seller, the sell order was placed before buy order for 7 out of 14 sell trades.

154. I observe that the trades carried out by Mahendrabhai Naranbhai Patel (Noticee 15), trading through Guiness Securities Limited, contributed Rs. 0.55 to positive LTP (i.e. 1.67% to positive LTP) through 2 trades. Mahendrabhai Naranbhai Patel (Noticee 15) contributed -Rs. 0.75 to net LTP (i.e. -3.42% to net LTP) through 27 trades.

155. On analysing the entire trades done by Mahendrabhai Naranbhai Patel (Noticee 15) during patch 3, I observe that Mahendrabhai Naranbhai Patel (Noticee 15) purchased a total of 2400 shares in 27 trades and sold 2400 shares as seller in 25 trades i.e. the net position of entity was zero. As buyer, the counterparties to Mahendrabhai Naranbhai Patel were 6 entities namely, Vinod Solanki, Pinesh Nareshkumar Shah, Ramanlal Ravchand Shah, Bhagavatiben Vishnubhai Patel, Bharti Sharma, Dhirajbhai Baladevji Thakor, who are part of Group II entities. As seller, the counterparties to Mahendrabhai Naranbhai Patel were 6 entities namely, Dhirajbhai Baladevji Thakor (Noticee 11), Pinesh Nareshkumar Shah (Noticee 13), Ramanlal Ravchand Shah (Noticee 8), Bhagavatiben Vishnubhai Patel (Noticee 10), Bharti Sharma (Noticee 12), Vinod Solanki (Noticee 9), who are part of Group II entities. As buyer, he placed buy orders before sell order for 23 out of 27 buy trades and as seller, the sell order was placed before buy order for all 25 sell trades.

156. From the LTP analysis, I find that the entities of Group II namely, Dhirajbhai Baladevji Thakor (Noticee 11) and Ramanlal Ravchand Shah (Noticee 8) contributed 21.87% and 9.57% respectively to net LTP. The said Noticees contributed 18.72% and 8.09% respectively to NHP and increased the price of the scrip by Rs. 4.55 and Rs. 0.75 through their respective first trades.

157. As regards the contribution of Dhirajbhai Baladevji Thakor (Noticee 11) to NHP, I observe that there were 2 trades for 225 shares which contributed to Rs. 4.40 of NHP (i.e. 18.72% to the market NHP). The counterparties were Bharti Sharma (Noticee 12) and Ramanlal Ravchand Shah (Noticee 8), part of entities of Group II.

158. As regards the contribution of Ramanlal Ravchand Shah (Noticee 8) to NHP, I observe that there were 4 trades for 674 shares which contributed to Rs. 1.90 of NHP (i.e. 8.09% to the market NHP). The counterparty was Bharti Sharma (Noticee 12), part of entities of Group II.

159. As regards the contribution of Pinesh Nareshkumar Shah (Noticee 13) to NHP, I observe that there was 1 trade for 750 shares which contributed to Rs.0.20 of NHP (i.e. 0.85% to the market NHP).

160. As regards the contribution of Mahendrabhai Narenbhai Patel (Noticee 15) to NHP, I observe that there were 2 trades for 350 shares which contributed to Rs.0.55 of NHP (i.e. 2.34% to the market NHP). The counterparties were Vinod Solanki (Noticee 9) and Ramanlal Ravchand Shah (Noticee 8), part of suspected entities of Group II.

161. As regards the contribution of Bharti Sharma (Noticee 12) to NHP, I observe that there were 4 trades for 700 shares which contributed to Rs.0.20 of NHP (i.e. 0.85% to the market NHP). The counterparties were Dhirajbhai Baladevji Thakor (Noticee 11), Mahendrabhai Naranbhai Patel (Noticee 15) and Ramanlal Ravchand Shah (Noticee 8), part of suspected entities of Group II.

162. As regards the contribution of Bhagavatiben Vishnubhai Patel (Noticee 10) to NHP, I observe that there were 2 trades for 200 shares which contributed to Rs. 0.10 of NHP (i.e. 0.43% to the market NHP). The counterparty was Mahendrabhai Naranbhai Patel (Noticee 15), part of suspected entities of Group II.

163. As regards the contribution of Vinod Solanki (Noticee 9) to NHP, I observe that there was 1 trade for 100 shares which contributed to Rs.0.05 of NHP (i.e. 0.21% to the market NHP). The counterparty was Dhirajbhai Baladevji Thakor (Noticee 11), part of suspected entities of Group II.

164. Details of the analysis of first trades carried out by Group II entities as buyers, with positive impact on LTP, during this patch is as follows:

Table 48

Entity name	**Total Number Of First Trades**	**Traded Quantity First Trades**	**Number Of First Trades At Positive Ltp**	**Net Ltp**	**Positive Ltp**	**Number Of First Trades Among Group**	**Positive Ltp Contribution In First Trades Among Group**
Dhirajbhai Baladevji Thakor	1	125	1	4.55	4.55	1	4.55
Ramanlal Ravchand Shah	1	99	1	0.75	0.75	1	0.75
Total	**2**	**224**	**2**	**5.30**	**5.30**	**2**	**5.30**
Market total	**13**	**775**	**8**	**12.35**	**18.85**	**2**	**5.30**

165. I observe that Group II entities were buyers in 2 first trades and contributed Rs.5.30 to market positive LTP. In 2 first trades the counterparty was a group entity. In first trades among themselves the group contributed Rs.5.30 to positive LTP.

166. As regards the first trades of Dhirajbhai Baladevji Thakor (Noticee 11), I observe that there was 1 positive first trade which contributed to Rs. 4.55 of positive LTP. There was 1 counterparty namely, Bharti Sharma (Noticee 12) who is part of group of suspected entities of Group II. As regards the first trades of Ramanlal Ravchand Shah (Noticee 8), I observe that there was 1 positive first trade which contributed to Rs. 0.75 of positive LTP. There was 1 counterparty namely, Bharti Sharma (Noticee 12) who is part of group of suspected entities of Group II.

167. In view of the foregoing, I find that Noticees 7 to 15, through their trades contributed significantly to the price variation in the scrip during the three patches and by executing such trades the aforesaid entities manipulated the price of scrip of BAFL on BSE and thus indulged in an act which created false or misleading appearance of trading in the scrip. Hence, it is observed that Noticees 7 to 15, had significantly contributed to price rise in the scrip by way of trading within the group and created a misleading appearance of trading in the scrip through manipulative trades among themselves.

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

169. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market

manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (*Supra*), and the definition of fraud laid down in Regulation 2(1)(c) of PFUTP Regulations, as discussed above, and its judgement in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matters of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) and M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012), as discussed above.

170. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT and also considering preponderance of probabilities, I find that Noticees 7 to 15 had indulged in manipulative trades which contributed to the rise in price in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

171. It was further alleged in the SCN that Noticees 7 to 15 indulged in synchronized trades, circular trades and reversal trades that did not result in change of beneficial ownership of shares and created a misleading appearance of trading in the scrip of BAFL, and thereby violated the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and (g) of PFUTP Regulations.

172. At this juncture, I deem it appropriate to refer to the judgement of the Hon'ble Securities Appellate Tribunal ('**Hon'ble SAT**') in Ketan Parekh vs. SEBI (Appeal No. 2 of 2004; Order dated 14.07.2006) in which circular trades and synchronised trades have been discussed. In the aforesaid judgement, it was held as follows:

"*… one of the methods commonly employed by manipulators to create an impression of high trade volumes and rising prices is circular trading. This is how it works: a manipulator targets a scrip and acquires as much of the floating stock as is necessary to ensure his profits and creates an illusion of high trading volumes at the counter. He indulges in what is called circular trading where a few of them get together and buy and sell large blocks of shares among themselves. The shares are sold to associates at a price higher than what is prevailing in the market who in turn sell them to another associate for even a higher price. All transactions usually cancel out each other and the shares remain within the circle without any genuine trading transaction. This creates an impression that the stock is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks. In other words, the general investing public gets induced to buy such* *stocks. The manipulators not only increase artificially the trading volumes but also benchmark the price because every trade establishes the price of the scrip. Circular trading is among the easiest ways to increase volumes. Tragically, retail investors and day traders are most vulnerable to such trading as they follow the herd mentality because they lack market intelligence and experience to diagnose such cases and they are usually the ones left holding the parcel when the music stops."*

173. Placing reliance upon the judgement of Hon'ble SAT in Ketan Parekh vs. SEBI (Supra), I note that circular trades are trades comprising large blocks of shares among limited number of entities in a calibrated manner where a few entities get together and buy and sell large blocks of shares among themselves without any genuine trading transaction for creating an impression of high trade volumes and rising prices in a scrip. As held in the aforesaid judgement circular trades create an impression that a scrip is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks.

174. During the investigation period, I observe that the entities of Group II executed the following trades in wherein the entities of Group II placed orders as buyers and sellers by entering the quantity and price of the shares at substantially the same time such that the buy and sell order quantity and rate were identical and were placed within a time gap of one minute:

Buyer Name	**Seller Name**	**Synchronized Quantity**	**Sum Of Ltp Diff**	**Number Of Days**	**Number Of Trades**	**%Market volume**
Babulal Hansraj Lakhani	Dhirajbhai Baladevji Thakor	350	0.05	4	4	0.37%
Babulal Hansraj Lakhani	Roshanlal Daulatram Aggarwal	100	0.00	1	1	0.11%
Babulal Hansraj Lakhani	Bhagavatiben Vishnubhai Patel	100	0.05	1	1	0.11%
Babulal Hansraj Lakhani	Bharti Sharma	434	0.10	6	7	0.46%
Babulal Hansraj Lakhani	Ramanlal Ravchand Shah	250	0.60	3	4	0.27%
Pinesh Nareshkumar Shah	Dhirajbhai Baladevji Thakor	1278	0.00	15	15	1.36%
Pinesh Nareshkumar Shah	Bhagavatiben Vishnubhai Patel	525	0.00	4	4	0.56%
Pinesh Nareshkumar Shah	Bharti Sharma	815	0.00	9	9	0.87%
Pinesh Nareshkumar Shah	Ramanlal Ravchand Shah	279	0.05	5	6	0.30%
Dhirajbhai Baladevji Thakor	Babulal Hansraj Lakhani	384	0.40	5	6	0.41%
Dhirajbhai Baladevji Thakor	Pinesh Nareshkumar Shah	1076	0.00	13	13	1.15%
Dhirajbhai Baladevji Thakor	Suresh Piraji Marvadi	100	0.10	1	1	0.11%
Dhirajbhai Baladevji Thakor	Bhagavatiben Vishnubhai Patel	655	-0.05	7	9	0.70%

Buyer Name	Seller Name	Synchronized Quantity	Sum Of Ltp Diff	Number Of Days	Number Of Trades	%Market volume
Dhirajbhai Baladevji Thakor	Bharti Sharma	1495	-0.50	15	18	1.60%
Dhirajbhai Baladevji Thakor	Mahendrabhai Naranbhai Patel	277	-0.05	3	3	0.30%
Dhirajbhai Baladevji Thakor	Vinod Solanki	480	0.30	7	8	0.51%
Dhirajbhai Baladevji Thakor	Jasmin Indu Shah	100	0.05	1	1	0.11%
Dhirajbhai Baladevji Thakor	Ramanlal Ravchand Shah	652	0.95	10	10	0.70%
Suresh Piraji Marvadi	Dhirajbhai Baladevji Thakor	150	-0.15	1	2	0.16%
Suresh Piraji Marvadi	Bharti Sharma	50	0.00	1	1	0.05%
Roshanlal Daulatram Aggarwal	Dhirajbhai Baladevji Thakor	100	0.05	1	1	0.11%
Roshanlal Daulatram Aggarwal	Bhagavatiben Vishnubhai Patel	100	0.10	1	1	0.11%
Bhagavatiben Vishnubhai Patel	Babulal Hansraj Lakhani	100	0.05	1	1	0.11%
Bhagavatiben Vishnubhai Patel	Pinesh Nareshkumar Shah	375	0.05	5	5	0.40%
Bhagavatiben Vishnubhai Patel	Dhirajbhai Baladevji Thakor	290	0.30	3	3	0.31%
Bhagavatiben Vishnubhai Patel	Roshanlal Daulatram Aggarwal	100	-0.05	1	1	0.11%
Bhagavatiben Vishnubhai Patel	Bharti Sharma	740	0.15	11	12	0.79%
Bhagavatiben Vishnubhai Patel	Mahendrabhai Naranbhai Patel	548	0.05	4	5	0.58%
Bhagavatiben Vishnubhai Patel	Vinod Solanki	700	0.40	6	8	0.75%
Bhagavatiben Vishnubhai Patel	Ramanlal Ravchand Shah	1597	1.25	16	20	1.70%
Bharti Sharma	Babulal Hansraj Lakhani	450	0.25	4	5	0.48%
Bharti Sharma	Pinesh Nareshkumar Shah	530	0.00	10	10	0.57%
Bharti Sharma	Dhirajbhai Baladevji Thakor	1658	0.65	16	18	1.77%
Bharti Sharma	Bhagavatiben Vishnubhai Patel	880	0.00	9	10	0.94%
Bharti Sharma	Mahendrabhai Naranbhai Patel	125	0.05	1	1	0.13%
Bharti Sharma	Vinod Solanki	540	0.05	9	9	0.58%
Bharti Sharma	Jasmin Indu Shah	100	-0.05	1	1	0.11%
Bharti Sharma	Ramanlal Ravchand Shah	450	0.10	1	2	0.48%
Mahendrabhai Naranbhai Patel	Pinesh Nareshkumar Shah	100	0.00	1	1	0.11%
Mahendrabhai Naranbhai Patel	Dhirajbhai Baladevji Thakor	2	0.00	2	2	0.00%
Mahendrabhai Naranbhai Patel	Bhagavatiben Vishnubhai Patel	349	0.00	2	3	0.37%
Mahendrabhai Naranbhai Patel	Bharti Sharma	100	0.00	1	1	0.11%
Mahendrabhai Naranbhai Patel	Vinod Solanki	200	-0.05	2	2	0.21%
Mahendrabhai Naranbhai Patel	Ramanlal Ravchand Shah	250	0.50	1	1	0.27%
Vinod Solanki	Dhirajbhai Baladevji Thakor	481	0.10	8	8	0.51%
Vinod Solanki	Bhagavatiben Vishnubhai Patel	750	0.30	8	8	0.80%
Vinod Solanki	Bharti Sharma	970	-0.10	11	13	1.04%
Vinod Solanki	Mahendrabhai Naranbhai Patel	100	0.05	1	1	0.11%
Vinod Solanki	Ramanlal Ravchand Shah	600	0.25	8	10	0.64%

Buyer Name	Seller Name	Synchronized Quantity	Sum Of Ltp Diff	Number Of Days	Number Of Trades	%Market volume
Jasmin Indu Shah	Babulal Hansraj Lakhani	100	0.00	1	1	0.11%
Jasmin Indu Shah	Bharti Sharma	100	0.25	1	1	0.11%
Ramanlal Ravchand Shah	Babulal Hansraj Lakhani	400	-0.25	3	5	0.43%
Ramanlal Ravchand Shah	Pinesh Nareshkumar Shah	479	-0.05	10	10	0.51%
Ramanlal Ravchand Shah	Dhirajbhai Baladevji Thakor	275	-0.10	3	3	0.29%
Ramanlal Ravchand Shah	Bhagavatiben Vishnubhai Patel	991	0.45	10	12	1.06%
Ramanlal Ravchand Shah	Bharti Sharma	325	0.55	2	2	0.35%
Ramanlal Ravchand Shah	Mahendrabhai Naranbhai Patel	100	0.00	1	1	0.11%
Ramanlal Ravchand Shah	Vinod Solanki	981	0.40	13	15	1.05%
		26586	**7.60**	**34**	**336**	**28.37%**

175. As an illustration, I observe that on March 07, 2017, the Noticees 7, 11, 12, 14, forming part of Group II had placed buy and sell orders for substantial quantities of shares within seconds, one after the other to match the price and quantity in orders placed by the counterparty clients (who were also part of Group II). The entities traded 645 shares among themselves during the day by entering into circular trades out of total 1110 shares traded during that day i.e. the entities contributed 58.11% of the traded quantity during the day, among themselves. A tabular representation of the said trades is placed below:

Sl.No	Buyer Name	Seller Name	Order Time	CP Order Time	Order Rate (Rs.)	CP Order Rate (Rs.)	Order Qty	CP Order Qty	Traded Qty
1	JASMIN INDU SHAH	BHARTI SHARMA	14:22:37.107711	14:22:36.941484	45.75	45.75	100	100	100
	DHIRAJBHAI BALADEVJI THAKOR	JASMIN INDU SHAH	14:22:49.660822	14:22:49.469635	45.8	45.8	100	100	100
	SURESH PIRAJI MARVADI	DHIRAJBHAI BALADEVJI THAKOR	14:22:57.936309	14:22:57.658410	45.85	45.85	100	100	100
	BHARTI SHARMA	BABULAL HANSRAJ LAKHANI	14:23:09.226829	14:23:09.093618	45.9	45.9	100	100	100
	BABULAL HANSRAJ LAKHANI	SURESH PIRAJI MARVADI	14:23:22.263135	14:23:21.177409	45.95	45.95	99	100	99
2	BABULAL HANSRAJ LAKHANI	BHARTI SHARMA	14:45:15.684805	14:45:15.198223	45.75	45.75	100	100	50
	BHARTI SHARMA	JASMIN INDU SHAH	14:45:26.635644	14:45:26.444483	45.70	45.70	100	100	100
	JASMIN INDU SHAH	BABULAL HANSRAJ LAKHANI	14:45:39.198745	14:45:38.862481	45.80	45.80	100	100	100
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of legs) (i.e. 99 x 5 plus 50 x 3)*									**645**
% of Total Market Volume traded as Circular Quantity among the entities									**58.11%**
Total Market Volume on 07.03.2017									**1110**

176. Placing reliance on the aforementioned judgement in the matter of Ketan Parekh vs. SEBI (*Supra*), I find that the aforesaid 336 trades executed among the entities forming part of Group II were synchronised trades. I also observe from the above table that Group II entities, through 336 synchronized trades, contributed Rs. 7.60 to net LTP. The Group II

entities had executed synchronized trades over 34 trading days. I find that percentage of synchronized trades of Group II entities was as under:

Entity Name	No. of Instances of Sync Trades	Sync Trade Quantity	% of Sync Qty. to Tot. Market Vol. during 22.02.2016 to 01.06.2017 (Total Mkt Vol: 93701)	% of Sync. Qty. to. Sync. Qty. Traded (Total Sync Qty : 26586)
BABULAL HANSRAJ LAKHANI	17	1434	1.53%	5.39%
BHAGAVATIBEN VISHNUBHAI PATEL	55	4350	4.64%	16.36%
BHARTI SHARMA	56	5029	5.37%	18.92%
DHIRAJBHAI BALADEVJI THAKOR	69	4584	4.89%	17.24%
JASMIN INDU SHAH	2	200	0.21%	0.75%
MAHENDRABHAI NARANBHAI PATEL	10	1150	1.23%	4.33%
PINESH NARESHKUMAR SHAH	34	2560	2.73%	9.63%
RAMANLAL RAVCHAND SHAH	48	4078	4.35%	15.34%
ROSHANLAL DAULATRAM AGGARWAL	2	200	0.21%	0.75%
SURESH PIRAJI MARVADI	3	100	0.11%	0.38%
VINOD SOLANKI	40	2901	3.10%	10.91%
Total	**336**	**26586**	**28.37%**	**100%**

177. From the above table, I observe that Group II entities had contributed 28.37% to the total market volume through the aforesaid synchronised trades.

178. I also observe from the foregoing analysis that the connected entities of Group II traded blocks of shares among themselves in a calibrated manner without any genuine trading transaction for creating an impression of high trade volumes in the scrip of BAFL at BSE. Thus, placing reliance on the aforementioned judgement in the matter of Ketan Parekh vs. SEBI (*Supra*) I find that the aforesaid trades amounted to circular trades.

179. From an analysis of the BSE Trade log and Order log, I observe that the Noticees 7 to 15 forming part of Group II had executed synchronized trades among themselves for a trade volume of 26586 shares which was 28.37% of total market volume. The summary of synchronized trades among the said Noticees forming part of Group II are given below:

Market volume	Gross Buy Qty of entities	Gross Sell Qty of entities	Total qty traded by entities	Total traded qty among the entities	Synchronized traded qty by entities	Sync Trades qty. as % of total traded qty among the entities	Sync Trades qty. as % of Total market volume	No. of synchronised trades	Sum of LTP at sync trades (Rs.)
93701	44559	44559	89118	43808	26586	60.69	28.37	336	7.60

180. From an analysis of the BSE Trade log and Order log, I also observe that Group II entities had indulged in 75 instances of circular trades over 30 trading days which contributed 20.95% of trading volume to total trading volume in the scrip during the IP. The aforesaid circular trades are summarized below:

Entity Name	PAN No.	No. of Instances of Circular Trades	Circular Traded Quantity	% of Cir. Qty. to Tot. Market Vol. during 22.02.2016 to 01.06.2017 (Mkt Vol: 93701)	% of Cir. Qty. to. Cir. Qty. Traded (Total Cir. Qty: 19633)
BABULAL HANSRAJ LAKHANI	AMVPL4417B	17	1617	1.73%	8.24%
BHAGAVATIBEN VISHNUBHAI PATEL	CYBPP2362R	43	2790	2.98%	14.21%
BHARTI SHARMA	CZTPS4626L	56	3985	4.25%	20.30%
DHIRAJBHAI BALADEVJI THAKOR	ATJPT1108Q	53	3746	4.00%	19.08%
JASMIN INDU SHAH	FQYPS5187R	3	349	0.37%	1.78%
MAHENDRABHAI NARANBHAI PATEL	DHGPP1260K	9	927	0.99%	4.72%
PINESH NARESHKUMAR SHAH	ANEPS6388L	24	1450	1.55%	7.39%
RAMANLAL RAVCHAND SHAH	GDWPS4583K	35	2228	2.38%	11.35%
ROSHANLAL DAULATRAM AGGARWAL	BPDPA3589K	2	200	0.21%	1.02%
SURESH PIRAJI MARVADI	BCKPM3556J	1	99	0.11%	0.50%
VINOD SOLANKI	DMKPS4150Q	39	2242	2.39%	11.42%
Total		**282**	**19633**	**20.95%**	**100%**

Market Volume	Total No of trading days	No of circular trades	Total circular quantity traded	% to Mkt Volume
93701	30	75	19633	20.95%

181. From the foregoing analysis and placing reliance upon the judgement of Hon'ble SAT in Ketan Parekh vs. SEBI (*Supra*), I find that the trading pattern of Noticees 7 to 15, forming part of Group II, clearly indicates the meeting of minds between the said Noticees as buyers and the sellers, and their intention to execute synchronised and circular trades exclusively between themselves by entering into circular trades without intending to change the ownership of the shares. I also find it appropriate to refer to the judgment of Hon'ble SAT in the matter of Sparkline Mercantile Co. Pvt. Ltd. vs. SEBI (Appeal No. 171 of 2011; Order dated January 16, 2012), it was held that, "*…It is difficult to get direct evidence with regard to synchronization of trades for the purpose of upsetting the market equilibrium or to manipulate the market. It is only on the basis of circumstantial evidence that such a connection can be proved. Looking at the details provided in the investigation report, the*

show cause notice and the findings recorded by the adjudicating officer, we are convinced that the adjudicating officer has brought enough material on record in support of the conclusion that the entities mentioned in the tables above are connected entities and traded among themselves with prior arrangement resulting in creation of artificial volume and distorting the market equilibrium. A large number of trades were executed among the group entities within a minute of placing the order. This cannot happen without prior meeting of minds among the connected entities. From the details of the trades executed and having regard to the trading system, we do not think that such large number of trades could match between the same parties unless the trading system was being abused. Therefore, we have no hesitation in upholding the findings recorded by the adjudicating officer in the impugned order." Thus, placing reliance upon the aforesaid judgements and based on a perusal of the aforesaid trades, I find that the aforesaid circular and synchronised trades demonstrate that they were a result of prior meeting of minds among the Noticees. Thus, I note that based on aforesaid trading pattern discussed above, which shows meeting of minds, connection between Noticees 12-13 and Group II entities, stands established. I am of the view that the aforementioned circular and synchronised trades were not a mere coincidence but were the outcome of meeting of minds among the Noticees and a deliberate conduct on the part of the Noticees, which was a part of a common strategy to trade in the scrip without any intention of changing beneficial ownership of shares and thereby manipulate the trading volume of the scrip upwards during the IP at BSE and create a misleading appearance of trading in the scrip of BAFL.

182. From the BSE Trade log and Order log, I observe that Noticees 7 to 15, forming part of Group II had executed reversal trades the details of which are as under:

Client/Counterparty (1)	Client/Counterparty (2)	Qty.1 (1)(Sell) to (2)(Buy)	Qty.2 (2)(Sell) to (1)(Buy)	% of Reversal Qty. to mkt vol.	Sum Of Reversal Qty.	No. of Reversal trades	No. of days of Reversal trades
BABULAL HANSRAJ LAKHANI	DHIRAJBHAI BALADEVJI THAKOR	434.00	884.00	0.41	384.00	21.00	4.00
BABULAL HANSRAJ LAKHANI	BHARTI SHARMA	684.00	234.00	0.25	234.00	14.00	4.00
BABULAL HANSRAJ LAKHANI	VINOD SOLANKI	25.00	25.00	0.03	25.00	2.00	1.00
BABULAL HANSRAJ LAKHANI	RAMANLAL RAVCHAND SHAH	300.00	200.00	0.21	200.00	7.00	2.00
PINESH NARESHKUMAR SHAH	DHIRAJBHAI BALADEVJI THAKOR	828.00	945.00	0.61	570.00	31.00	12.00
PINESH NARESHKUMAR SHAH	BHAGAVATIBEN VISHNUBHAI PATEL	736.00	858.00	0.67	625.00	34.00	11.00
PINESH NARESHKUMAR SHAH	BHARTI SHARMA	507.00	492.00	0.46	432.00	15.00	6.00
PINESH NARESHKUMAR SHAH	MAHENDRABHAI NARANBHAI PATEL	385.00	385.00	0.41	385.00	11.00	3.00

PINESH NARESHKUMAR SHAH	RAMANLAL RAVCHAND SHAH	129.00	179.00	0.14	129.00	7.00	3.00
DHIRAJBHAI BALADEVJI THAKOR	SURESH PIRAJI MARVADI	150.00	100.00	0.11	100.00	3.00	1.00
DHIRAJBHAI BALADEVJI THAKOR	BHAGAVATIBEN VISHNUBHAI PATEL	365.00	355.00	0.38	355.00	8.00	2.00
DHIRAJBHAI BALADEVJI THAKOR	BHARTI SHARMA	1375.00	1740.00	1.11	1041.00	45.00	17.00
DHIRAJBHAI BALADEVJI THAKOR	MAHENDRABHAI NARANBHAI PATEL	235.00	310.00	0.25	235.00	10.00	4.00
DHIRAJBHAI BALADEVJI THAKOR	VINOD SOLANKI	535.00	616.00	0.49	460.00	17.00	8.00
DHIRAJBHAI BALADEVJI THAKOR	RAMANLAL RAVCHAND SHAH	489.00	553.00	0.46	431.00	25.00	10.00
ROSHANLAL DAULATRAM AGGARWAL	BHAGAVATIBEN VISHNUBHAI PATEL	100.00	100.00	0.11	100.00	2.00	1.00
BHAGAVATIBEN VISHNUBHAI PATEL	BHARTI SHARMA	763.00	486.00	0.36	338.00	25.00	9.00
BHAGAVATIBEN VISHNUBHAI PATEL	MAHENDRABHAI NARANBHAI PATEL	683.00	798.00	0.70	657.00	22.00	5.00
BHAGAVATIBEN VISHNUBHAI PATEL	VINOD SOLANKI	1055.00	971.00	0.64	596.00	36.00	13.00
BHAGAVATIBEN VISHNUBHAI PATEL	RAMANLAL RAVCHAND SHAH	1241.00	1370.00	1.08	1014.00	35.00	14.00
BHARTI SHARMA	MAHENDRABHAI NARANBHAI PATEL	282.00	233.00	0.25	233.00	8.00	2.00
BHARTI SHARMA	VINOD SOLANKI	482.00	399.00	0.31	292.00	14.00	6.00
BHARTI SHARMA	JASMIN INDU SHAH	100.00	100.00	0.11	100.00	2.00	1.00
BHARTI SHARMA	RAMANLAL RAVCHAND SHAH	804.00	731.00	0.78	731.00	10.00	3.00
MAHENDRABHAI NARANBHAI PATEL	VINOD SOLANKI	533.00	633.00	0.57	533.00	14.00	2.00
MAHENDRABHAI NARANBHAI PATEL	RAMANLAL RAVCHAND SHAH	233.00	233.00	0.25	233.00	6.00	2.00
VINOD SOLANKI	RAMANLAL RAVCHAND SHAH	581.00	490.00	0.46	431.00	15.00	7.00
Total		**14034.00**	**14420.00**	**11.59**	**10864.00**	**439.00**	**153.00**

183. I observe from the BSE Trade log and Order log that Noticees 7 to 15, forming part of Group II, had entered into trades which were subsequently reversed with the counterparty client belonging to Group II. The percentage of entity-wise reversal trades is as given below:

Entity Name	PAN No.	No. of Instances of Reversal Trades	Reversal Trade Quantity	% of Rev. Qty. to Tot. Market Vol. during 22.02.2016 to 01.06.2017 (Mkt Vol: 93701)	% of Rev. Qty. to. Rev. Qty. Traded (Total Rev Qty 21728)
BHAGAVATIBEN VISHNUBHAI PATEL	CYBPP2362R	162	3685	3.93%	16.96%
BHARTI SHARMA	CZTPS4626L	133	3401	3.63%	15.65%
DHIRAJBHAI BALADEVJI THAKOR	ATJPT1108Q	160	3576	3.82%	16.46%
JASMIN INDU SHAH	FQYPS5187R	2	100	0.11%	0.46%
MAHENDRABHAI NARANBHAI PATEL	DHGPP1260K	71	2276	2.43%	10.47%
RAMANLAL RAVCHAND SHAH	GDWPS4583K	105	3169	3.38%	14.58%
SURESH PIRAJI MARVADI	BCKPM3556J	3	100	0.11%	0.46%
VINOD SOLANKI	DMKPS4150Q	98	2337	2.49%	10.76%
BABULAL HANSRAJ LAKHANI	AMVPL4417B	44	843	0.90%	3.88%
PINESH NARESHKUMAR SHAH	ANEPS6388L	98	2141	2.28%	9.85%
ROSHANLAL DAULATRAM AGGARWAL	BPDPA3589K	2	100	0.11%	0.46%
Total		**878**	**21728**	**23.19%**	**100%**

184. Thus, I observe from BSE Trade log and Order log that Noticees 7 to 15 of Group II had entered into reversal trades among themselves at BSE during the investigation period. Summary of reversal trades executed by the Group II entities is as under:

Market Vol	Sum of reversal qty	Volume generated through reversal trades (artificial volume)	% of artificial volume to total market volume	No of reversal trades	No of days of reversal trades
93701	10864	21728	23.19%	878	33

185. From the above table, I observe that the Group II entities had contributed 23.19% to the total market volume by reversal trades. Thus, I observe that the aforesaid reversal trades contributed significantly to total trading volume in the scrip during the IP.

186. Thus, I note that out of 11 Group II entities, 9 Noticees, namely, Babulal Hansraj Lakhani (Noticee 7), Dhirajbhai Baladevji Thakor (Noticee 11), Bharti Sharma (Noticee 12), Jasmin Indu Shah (Noticee 14), Bhagavatiben Vishnubhai Patel (Noticee 10), Ramanlal Ravchand Shah (Noticee 8), Vinod Solanki (Noticee 9), Pinesh Nareshkumar Shah (Noticee 13) and Mahendrabhai Naranbhai Patel (Noticee 15) contributed 22.97% trading volume to the total trading volume in the scrip during the IP.

187. I also note that these circular and reversal trades indulged by the aforesaid 9 Noticees, did not result in change in beneficial ownership. I am therefore inclined to the view that the trades by the aforesaid 9 Noticees created misleading appearance of trading in the scrip. In view of the foregoing observations, I find that by indulging in trades that were in the form of synchronized, circular and reversal trades, the aforesaid Noticees 7 to 15 who are part of Group II entities have contributed to the trading volume of the scrip during the investigation period.

188. At this juncture, I find it pertinent to discuss the scope and ambit of PFUTP Regulations. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter alia,* prohibit employment of any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulations 4(2)(a), (e) and (g) of the PFUTP

Regulations provide that an act in the course of dealing in securities shall be deemed to be fraudulent or an unfair trade practice if it involves indulging in an act which creates a false or misleading appearance of trading in the securities market or manipulates the price of the scrip or amounts to a transaction executed without the intention of performing it or without intention of change of ownership of a security.

189. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (*Supra*), and the definition of fraud laid down in Regulation 2(1)(c) of PFUTP Regulations, as discussed above, and its judgement in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matters of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) and M/s Rajesh N. Jhaveri vs. SEBI (Appeal No. 49 of 2012; Order dated April 16, 2012) as discussed above.

190. From the foregoing observations and placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT and also considering preponderance of probabilities, I find that Noticees 7 to 15 had indulged in manipulative synchronised, circular and reversal trades which contributed to the rise in volume and price in the scrip of BAFL and consequently induced investors to trade in the scrip of BAFL at BSE by giving a misleading appearance of trading in the said scrip.

191. Therefore, based on the foregoing findings, placing reliance on the judgements of Hon'ble Supreme Court and Hon'ble SAT, discussed above, and considering preponderance of probabilities, I find that the allegation that Noticees 1 to 15 violated Sections 12 A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) and (e) of PFUTP Regulations and Noticees 7 to 15 violated the Sections 12 A (a), (b), (c) of SEBI Act Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and (g) of PFUTP Regulations by Noticees 7 to 15, stands established.

Issue 11(II): Do the violations, if established, attract monetary penalty under Section 15HA of SEBI Act?

192. I note that the Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that *"In our considered opinion, penalty is attracted as soon as the* contravention *of the statutory obligation as contemplated by the Act and the Regulations is established...….".* Therefore, placing reliance on the aforesaid judgement, the above violations, as established in the foregoing paragraphs, make Noticees liable for monetary penalty as per details below:

192.1. Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Sections 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) and (e) of PFUTP Regulations by Noticees 1 to 15; and

192.2. Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Section 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and (g) of PFUTP Regulations by Noticees 7 to 15;

193. The text of Section 15HA of SEBI Act is reproduced below: -

SEBI Act

Penalty for fraudulent and unfair trade practices

Section 15HA of SEBI Act:- *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

Issue 11(III): If the answer to issue no. II is in affirmative, then what should be the quantum of monetary penalty?

194. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Adjudication Rules, require that while adjudging the quantum of penalty, the adjudicating officer shall have due regard to the following factors namely; -

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

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

(c) the repetitive nature of the default.

Explanation: For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

195. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors listed in Section 15J of SEBI Act. In the instant case, having regard to the factors listed in Section 15J of SEBI Act, it is noted that the material available on record does not demonstrate any quantifiable gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of the default. I also observe that there are no other records to show repetitive defaults of a similar nature by the Noticees. However, it has been established that the said Noticees had indulged in manipulation of price and volume and created a misleading appearance of trading in the scrip of BAFL. I am of the view that such manipulative acts of the said Noticees have the potential to mislead and induce genuine investors to trade in the scrip and harm them and therefore such acts violate the fundamental tenets of market integrity. Such acts of the said Noticees, if dealt with lightly, could seriously undermine investors' confidence in the securities market and therefore, merit stiff penalty commensurate with such serious violations.

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

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

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

ORDER

198. Having considered all the facts and circumstances of the case, the material available on record, and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose the following penalties on Noticees under Section 15HA of SEBI Act for the violations as established in the earlier part of the order.

Name of Noticee	**Penalty under Section 15HA of SEBI Act**
Nishant Jain	Rs. 30,00,000 /- (Rupees Thirty Lakhs only) jointly and severally.
Pradeep Kumar Jain	
Dharmendra Kumar Jain	
Dharmendra Jain HUF	
Jaipur Infragold Private Limited	
Babulal Hansraj Lakhani	Rs. 54,00,000/- (Rupees Fifty Four Lakhs only) jointly and severally.
Ramanlal Ravchand Shah	
Vinod Solanki	
Bhagavatiben Vishnubhai Patel	
Dhirajbhai Baladevji Thakor	
Bharti Sharma	
Pinesh Nareshkumar Shah	
Jasmin Indu Shah	
Mahendrabhai Naranbhai Patel	
Rajiv Maheshwari	Rs. 5,00,000 /- (Rupees Five Lakhs only) individually.

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

200. Noticees shall forward said Demand Draft or the said confirmation of e-payment made in the format as given in table below which should be sent to "The Division Chief, EFD – DRA - 5, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

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

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

Date: January 31, 2023 **SOMA MAJUMDER**

Place: Mumbai **Adjudicating Officer**