BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. EAD-2/DSR/RG/ 78-98 /2014]

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

In respect of

1. Shri V. P. Patel [PAN:AKNPP8099H]
2. Shri Vanraj Singh Kahor [PAN: AGDPK4812F]
3. GRD Securities Private Limited [PAN: AABCG7534M]
4. Korp Securities Limited [PAN: AACCK1771D]
5. Swift Tie-up Private Limited [PAN: AAMCS0280M]
6. Marutinandan Infosolutions Private Limited [PAN: AAHCM1455H]
7. Jalan Cement Works Limited [PAN: AAACJ6788R]
8. Orbit Financial Consultants Private Limited [PAN: AABCO2090G]
9. Wheelers Developers Private Limited [PAN: AAACW2150N]
10. Divya Drishti Merchants Private Limited [PAN: AABCD8147K]
11. Divya Drishti Traders Private Limited [PAN: AABCD8146J]
12. Anoop Jain HUF [PAN: AAAH6321A]
13. Shri Anoop Vimal Jain [PAN: AADPJ2136K]
14. Ritu Jain [PAN: AAMPJ9586C]
15. Vimgi Investments Private Limited [PAN: AAACV1008L]
16. Shikha Somani [PAN: BOFPS9939J]
17. Prem Somani Share Brokers Private Limited [PAN: AABCP4104E]
18. Nimit Jayendra Shah [PAN: AOPPS6722L]
19. Shaswat Stock Brokers P.Ltd [PAN: AACCS1143H]
20. Shree Bahubali International Limited [PAN: AAECS4019E]
21. PELF Finstock Limited [PAN: AAACP3943N]

In the matter of

BHARATIYA GLOBAL INFOMEDIA LIMITED

Background:

1. Securities and Exchange Board of India (hereinafter referred to as SEBI) conducted an investigation into the alleged irregularities in the scrip of Bharatiya Global Infomedia Limited (hereinafter referred to as BGIL) and into the possible violation of the SEBI Act, 1992 (hereinafter referred to as the Act) and various Rules and Regulations made there under. SEBI had initiated the investigation, into the Initial Public Offer (hereafter referred to as "IPO") of equity shares by BGIL and its subsequent trading on the listing day i.e. July 28, 2011.

2. Based on the preliminary findings, an interim order was passed by SEBI on December 28, 2011, *inter-alia,* debarring the issuer company/BGIL from raising any further capital from the securities market, prohibiting the company, its promoters, its directors and the Finance Manager from buying, selling or dealing in the securities market in any manner and prohibiting Almondz Global Securities Ltd (Almondz), its CEO and the Head of its Merchant Banking from taking up any new assignment or involvement in any new issue of capital including IPO, follow-on issue from the securities market, in any manner. BGIL was also directed to bring back the amounts invested in Inter-Corporate Deposits (ICDs) and all amounts transferred / paid out of IPO proceeds to its directors or relatives of its directors or HUFs belonging to any of its directors or associate or subsidiaries or group companies and deposit the same in an escrow account together with all other IPO proceeds that were still lying unutilized with the company across all its bank / deposit accounts or in any investments including mutual funds. These directions were confirmed by SEBI vide orders dated September 21, 2012 and October 05, 2012.

3. The investigation, inter alia, revealed that BGIL had come out with an IPO issue through book building route in the price band of ₹75 to ₹ 82 for 67,20,000 equity shares, constituting 42.42% of post issue paid up capital, of ₹ 10. Almondz was the Book Running Lead Manager for the issue and the registrar to the issue was Karvy Computersshare Pvt. Ltd (Karvy). CARE had assigned IPO Grade of '2' to BGIL IPO i.e. 'Below Average Fundamentals'. The issue opened for bidding on July 11, 2011 and closed on July 14, 2011. As per the minutes of the meeting between BGIL, Almondz and Karvy, the issue had received 5,098 valid applications for 98,90,775 equity shares (after technical rejections, including cheque returns / withdrawals), resulting in 1.47 times subscription. BGIL in consultation with Almondz had decided to issue the shares at a price of 82 per share. Thus, 55.10 crore was raised from the market. The allotment of shares took place on July 21, 2011 after which, the shares were listed and admitted to dealings on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on July 28, 2011. On NSE 4,75,78,807 shares were traded and on BSE 4,07,25,468 shares were traded on the listing day i.e. on July 28, 2011. In total 8.83 crore shares were traded on BSE & NSE and only 6.5% of shares were delivery based trades.

4. On the first day of trading i.e., on July 28, 2011, on BSE, the scrip opened at 81.9, went up to 83, stayed between 60-70 for some time and then plunged to ₹29.90 at close. On NSE, it opened at 84 (day's high), stayed around the 60- 70 for some time then plunged to 30.95 at close. Major allottees who were allotted shares in the IPO of BGIL had sold the shares so allotted on the listing day. 14,87,475 shares were allotted to 72 Non-Institutional Investors (NII). 69 NII had sold 15,81,912 shares, bought 1,87,579 shares and were net sellers of 13,94,333 shares. Only three NIIs had not sold the shares on first day. 52,32,525 shares had been allotted to 4824 retail applicants accounting to 77.86% of issue size within a range of 75 to 1495 shares per client. 1763 retail applicants had applied through ASBA. 468 retail applicants, who were allotted 33,02,115 shares, had not sold on the listing day. 17 clients had bought and sold for more than 5 lakh shares who had not received the shares through IPO.

5. The investigation further revealed that, on the listing day, certain entities viz-a-viz Shri V. P. Patel (Noticee No. 1), Shri Vanraj Singh Kahor (Noticee No. 2), GRD Securities Private Limited (Noticee No. 3), Korp Securities Limited (Noticee No. 4), Swift Tie-up Private Limited (Noticee No. 5), Marutinandan Infosolutions Private Limited (Noticee No. 6), Jalan Cement Works Limited (Noticee No. 7), Orbit Financial Consultants Private Limited (Noticee No. 8), Wheelers Developers Private Limited (Noticee No. 9), Divya Drishti Merchants Private Limited (Noticee No. 10), Divya Drishti Traders Private Limited

(Noticee No. 11), Anoop Jain HUF (Noticee No. 12), Shri Anoop Vimal Jain (Noticee No. 13), Smt Ritu Jain (Noticee No. 14), Vimgi Investments Private Limited (Noticee No. 15), Ms Shikha Somani (Noticee No. 16), Prem Somani Share Brokers Private Limited (Noticee No. 17), Nimit Jayendra Shah (Noticee No. 18), Shaswat Stock Brokers P.Ltd (Noticee No. 19), Shree Bahubali International Limited (Noticee No. 20) and PELF Finstock Limited (Noticee No. 21) (hereinafter collectively referred to as the Noticees), connected to each other and/or the company BGIL, by one way or the other, had traded fictitiously / manipulatively in the scrip of BGIL without the intention of change of beneficial ownership by executing structured, synchronized and circular trades among each other. Few company related entities i.e. Noticee Nos. 1, 3 to 11 and broker Noticee Nos. 20 and 21 had also given exit to the allottees i.e. Noticee Nos. 12, 13, 14, 16, 18 and various others which creating artificial volumes and misleading appearance of trading in the scrip of BGIL.

6. SEBI has, therefore, initiated adjudication proceedings under the Act to inquire into and adjudge the alleged violations of the provisions against respective Noticees which are mentioned as under:

- Section 12A(a), (b) and (c) of the Act and Regulation 3(a), (b), (c) & (d) and 4(1) & 4(2)(a) (e) and (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as PFUTP Regulations) against Noticee Nos. 1 to 11, 20 and 21,
- Section 12A(a), (b) and (c) of the Act and Regulation 3(a), (b), (c) & (d) and 4(1) & 4(2)(a) of the PFUTP Regulations against Noticee Nos. 12 to 19,
- Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as Broker Regulations) read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations against Noticee Nos. 3, 4, 15, 17, 20 & 21,
- Regulation 15 of the Broker Regulations read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations against Noticee No. 19, and

- SEBI Circular No. SEBI/MRD/SE/Cir-33/2003/27 dated August 27, 2003 & SEBI Circular No. MRD/DoP/SE/Cir-11/2008 dated April 17, 2008 (hereinafter referred to as SEBI Circulars) against Noticee No. 17.

Appointment of Adjudicating Officer:

7. I have been appointed as the Adjudicating Officer, in place of previous Adjudicating Officer, vide order dated August 29, 2013 under Section 15-I of the Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') to inquire into and adjudge under Section 15HA and 15HB of the Act for the alleged violation of the abovementioned provisions of PFUTP Regulations by all the Noticees, Broker Regulations by Noticee Nos. 3, 4, 15, 17, 19, 20 & 21 and SEBI Circulars by Noticee No. 17.

Notice, Reply & Personal Hearing:

8. The Noticees were issued notices dated May 06, 2013 (hereinafter referred to as SCN) in terms of Rule 4 of the Adjudication Rules requiring them to show cause as to why an inquiry should not be held against them for the alleged violations. The SCNs were sent to the Noticees by Registered Post Acknowledgment Due and the same were duly delivered except for Noticee No. 6. Therefore, vide letter dated August 12, 2013, the SCN was forwarded to Noticee No. 3, who is the broker for Noticee No. 6, advising it to deliver the said SCN at the present address of Noticee No. 6. Vide e-mail dated September 04, 2013, Noticee No. 3 confirmed delivery of SCN to Noticee No. 6 along with proof of delivery.

9. The Noticee-wise details of replies, inspection and hearing is as under:

<u>Noticee No. 1 & 2</u>:

Vide separate letters dated May 29, 2013, the Noticees acknowledged the receipt of the SCN dated May 06, 2013 and further requested an opportunity of inspection of documents in the matter. Accordingly, vide letters dated May 31, 2013, an opportunity of inspection of documents was granted to the Noticees to be availed by them on or before June 30, 2013.

The authorized representative of Noticee No. 1, vide letter dated June 28, 2013, forwarded a list of documents to be inspected by Noticee No. 1. An opportunity of inspection of documents was scheduled by the Investigation Department on July 15, 2013. However, Noticee No. 1 requested for an adjournment. No request of inspection of documents was received from Noticee No. 2 by Investigation Department. Accordingly, another opportunity to inspect the documents was scheduled on July 24, 2013 for Noticee No. 1. However, the Noticee No. 1 did not avail of the said opportunity. Finally, a last opportunity to inspect the documents was scheduled on August 16, 2013 which the Noticee No. 1 again failed to avail. It is also noted that the Noticees have not filed any replies to the SCN.

Therefore, in the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee Nos. 1 & 2 vide notice dated September 17, 2013 on October 09, 2013. The Noticees did not attend the said hearing. Accordingly, vide notice dated October 29, 2013 second opportunity of personal hearing was granted to Noticee Nos. 1 & 2 on November 13, 2013. The Noticees again did not attend the said hearing. A last and final opportunity of personal hearing was granted on January 30, 2014 vide notice dated January 09, 2014. The said hearing notices were duly delivered to the Noticees. However, they did not attend the scheduled hearing.

<u>Noticee No. 3</u>:

Vide letter dated May 20, 2013, the Noticee acknowledged the receipt of the SCN dated May 06, 2013 and further requested for time of 30 days to file its reply. Vide letter dated June 21, 2013 the Noticee submitted its reply to the SCN. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee No. 3 vide notice dated September 04, 2013 on September 12, 2013. Vide e-mail dated September 11, 2013 the Noticee confirmed its attendance for the scheduled hearing. The authorized representatives attended the said hearing and made oral submissions.

Noticee No. 4:

Vide letter dated May 23, 2013, the Noticee acknowledged the receipt of the SCN dated May 06, 2013 and further requested for time of 10 days to file its reply. Again, vide letter dated June 06, 2013, the Noticee further requested for time of 15 days to file its reply to the SCN. Accordingly, vide letter dated July 03, 2013 the Noticee submitted its detailed reply to the SCN dated May 06, 2013. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee No. 3 vide notice dated September 04, 2013 on September 13, 2013. However, vide letter dated September 11, 2013, Noticee No. 4 requested for an adjournment of the scheduled hearing due non-availability of its lawyers on the said date. In view of the same, vide notice dated September 17, 2013, another opportunity of personal hearing was granted to the Noticee on October 07, 2013. The authorized legal representative attended the said hearing and made oral submissions.

Noticee No. 5:

Vide letter dated May 20, 2013, the Noticee acknowledged the receipt of the SCN dated May 06, 2013 and further requested for extension of time to file its reply to the SCN. Vide letter dated June 25, 2013 the Noticee submitted its reply to the said SCN. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee vide notice dated September 04, 2013 on September 12, 2013. The authorized representatives of the Noticee attended the said hearing and made oral submissions.

Noticee No. 6:

The SCN dated May 06, 2013 was delivered by Noticee No. 3 to Noticee No. 06 and the same was received on August 27, 2013. The Noticee did not submit any reply to the same. Therefore, in the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee No. 6 vide notice dated September 04, 2013 on September 12, 2013. However, vide letter dated September 12, 2013, Noticee No. 6 requested for time of 30 days to file its reply in the matter and also to adjourn the scheduled hearing accordingly. The said request was partly acceded to and another opportunity of hearing was granted to the Noticee on October 07, 2013. The said hearing notice was returned undelivered. Accordingly, vide notice dated October 29, 2013 another opportunity of personal hearing was granted to the Noticee on November 13, 2013 and said notice was also sent to Noticee No. 3 for delivery. In the meantime, vide letter dated November 11, 2013, the Noticee filed its reply to the SCN. However, the personal hearing scheduled on November 13, 2013 was not attended by the Noticee. A last and final opportunity of personal hearing was granted to the Noticee vide notice dated January 09, 2014 on January 30, 2014. However, the Noticee did not attend the hearing.

Noticee No. 7:

Vide letter dated May 22, 2013, the Noticee acknowledged the receipt of the SCN dated May 06, 2013 and further requested for time of one month to file its reply. Accordingly, vide letter dated June 26, 2013 the Noticee submitted its reply to the SCN. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee No. 3 vide notice dated September 04, 2013 on September 12, 2013. The Director of the Noticee attended the said hearing and made oral submissions.

Noticee No. 8:

Vide letter dated May 24, 2013, the Noticee acknowledged the receipt of the SCN dated May 06, 2013 and further requested for time of one month to file its reply. Accordingly, vide letter dated July 05, 2013 the Noticee submitted its reply to the SCN. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to Noticee No. 3 vide notice dated September 04, 2013 on September 12, 2013. The Noticee did not attend the said hearing. Vide notice dated September 17, 2013 another opportunity of personal hearing was granted to the Noticee on October 07, 2013. The Noticee again did not attend the said hearing. However, vide letter dated November 14, 2013 the Noticee submitted that vide its reply dated July 05, 2013, it has made detailed submissions in the matter and therefore, it has nothing else to submit.

Noticee Nos. 9, 10 & 11:

Vide letters dated May 24, 2013, June 10, 2013 and July 17, 2013 the Noticees requested for extension of time to file their replies in the matter. Noticee Nos. 10 & 11 replied to the SCN vide their letters dated August 26, 2013 and August 20, 2013, respectively. Noticee No. 9 did not file any reply. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to the Noticees vide separate notices dated September 04, 2013 on September 12, 2013. Vide separate letters dated September 11, 2013 the Noticees requested for an adjournment. Accordingly, vide notice dated September 17, 2013 another opportunity of personal hearing was granted to the Noticees on October 07, 2013. Further, vide letter dated September 15, 2013, Noticee No. 9 filed its reply. The authorized representatives representing all the three Noticees attended the hearing on October 07, 2013 and made oral submissions.

Noticee Nos. 12 to 15:

The Noticees replied to the SCN vide their separate letters dated May 30, 2013. The Noticee No. 15 while denying the charges leveled against it had requested for inspection of documents replied upon in the matter. Accordingly, vide letter dated June 19, 2013 an opportunity of inspection of documents was granted to the Noticee No. 15 to be availed by it on or before July 15, 2013. The said opportunity was availed by Noticee No. 15 on August 16, 2013.

In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, an opportunity of personal hearing was granted to the Noticees vide separate notices dated September 17, 2013 on October 08, 2013. The authorized representative representing all the four Noticees attended the said hearing and made oral submissions. Further, the representative requested another opportunity of inspection of documents in the matter. The said request was acceded to and another opportunity of inspection of documents was granted to the Noticees which was to be availed by them on or before November 30, 2013. However, it was noted that the Noticees had failed to avail the said opportunity.

In view of the same, vide letter dated January 09, 2014, another opportunity of personal hearing was granted to the Noticees on January 30, 2014. The Authorized Representative attended the said hearing and again pleaded for an opportunity of inspection of documents in the matter. In the interest of natural justice, last and final opportunity of inspection was granted to the Noticees which was to be availed by them latest by February 14, 2014. The authorised representatives of the Noticees availed of the said opportunity of inspection of documents on February 10, 2014. Accordingly, a last and final opportunity of personal hearing was granted to the Noticees on February 28, 2014 vide notice dated February 14, 2014. The authorised representatives attended the said hearing and made oral submissions. Further, a request of one weeks' time to file additional reply in the matter was made which was granted. Vide separate letters dated March 06, 2014, the Noticees filed their additional replies in the matter.

<u>Noticee Nos. 16 & 17</u>:

Vide letter dated June 08, 2013 and May 21, 2013 the Noticees filed their replies to the SCN respectively. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, vide letter dated September 17, 2013 an opportunity of personal hearing was granted to the Noticees on October 09, 2013. The Authorized Representative representing both the Noticees attended the said hearing and reiterated the submissions made by the Noticees in their replies.

<u>Noticee Nos. 18 & 19</u>:

Vide separate letters dated June 17, 2013 the Noticees filed their respective replies to the said SCNs. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, vide letter dated September 17, 2013 an opportunity of personal hearing was granted to the Noticees on October 09, 2013. The Authorized Representative of the Noticees attended the said hearing and made oral submissions. Further, 10 days time was requested for filing additional submissions in the matter.

Accordingly, vide separate letters dated October 18, 2013, the Noticees filed their additional submissions in the matter.

Noticee No. 20:

Vide letter dated June 27, 2013 the Noticee filed its reply to the SCN. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, vide letter dated September 04, 2013 an opportunity of personal hearing was granted to the Noticees on September 11, 2013. However, vide letter dated September 10, 2013 the Noticee requested for an adjournment of the scheduled hearing due to non-availability of its legal advisor on the said date. Accordingly, another opportunity of personal hearing was granted to the Noticee vide letter dated September 17, 2013 on October 07, 2013. The Authorized representative attended the said hearing on behalf of the Noticee and reiterated the submissions made by the Noticee vide its reply dated June 27, 2013. Further, vide letter dated October 19, 2013 the Noticee submitted its additional reply in the matter.

Noticee No. 21:

Vide letter dated May 30, 2013 the Noticee filed its reply to the SCN. In the said reply, the Noticee also requested for an opportunity to inspect the documents in the matter. Accordingly, vide letter dated June 19, 2013 an opportunity of inspection of documents was granted to the Noticee to be availed by it on or before July 15, 2013. The said opportunity was availed by Noticee on July 24, 2013. In the interest of natural justice and in order to conduct an inquiry as per Rule 4 (3) of the Adjudication Rules, vide letter dated September 17, 2013 an opportunity of personal hearing was granted to the Noticee on October 08, 2013. The Authorized representative attended the said hearing on behalf of the Noticee and reiterated the submissions made by the Noticee vide its reply dated May 30, 2013.

Consideration of Issues, Evidence and Findings:

10. I have carefully perused the charges against the Noticees as per the SCNs, written submissions made by the Noticees and the materials as available on record. The issues that arise for consideration in the present case are:

(i) Whether the Noticees Nos. 1 to 11, 20 & 21 have violated the provisions of Section 12A (a), (b) and (c) of the Act read with Regulation 3(a), (b), (c) & (d) and 4(1), 4(2)(a), (e) & (g) of the PFUTP Regulations?

(ii) Whether the Noticees Nos. 12 to 19 have violated the provisions of Section 12A (a), (b) and (c) of the Act read with Regulation 3(a), (b), (c) & (d) and 4(1), 4(2)(a) of the PFUTP Regulations?

(iii) Whether the Noticee Nos. 3, 4, 15, 17, 20 & 21 have violated provisions of Regulation 7 of the broker Regulations read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations ?

(iv) Whether the Noticee No. 19 has violated provisions of Regulation 15 of the broker Regulations read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations ?

(v) Whether the Noticee No. 17 has violated SEBI Circular No. SEBI/MRD/SE/Cir-33/2003/27 dated August 27, 2003 & SEBI Circular No. MRD/DoP/SE/Cir-11/2008 dated April 17, 2008?

(vi) Does the violations, if any, on the part of the Noticees attract any penalty under Sections 15HAand 15HB of the Act?

(vii) If yes, what should be the quantum of penalty?

11. Before proceeding further, it will be appropriate to refer to the relevant provisions which read as under:-

Relevant provisions of the SEBI Act, 1992:

Section 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 there under;*

(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 recognized 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 recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made there under;*

Relevant provisions of PFUTP Regulations:

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

(b) *use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

(b).....

(c).....
(d).....
***(e)** any act or omission amounting to manipulation of the price of a security;*
(f).....
***(g)** entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;*

Relevant provisions of Broker Regulations:
Stock brokers to abide by Code of Conduct.

***7.** The stock broker holding a certificate shall at all times abide by the Code of Conduct as specified in Schedule II.*

SCHEDULE II
CODE OF CONDUCT FOR STOCK BROKERS
[Regulation 7]

A. General.
***(1)** Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.*

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

***(3)** Manipulation: A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.*

***(4)** Malpractices: A stock-broker shall not create false market either singly or in concert with others or indulge in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market. A stockbroker shall not involve himself in excessive speculative business in the market beyond reasonable levels not commensurate with his financial soundness.*

***(5)** Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.*

General obligations and inspection.
***15.** (1) The sub-broker shall:*
(a) pay the fees as specified in Schedule III

(b) abide by the code of conduct specified in Schedule II
(c) enter into an agreement with the stock broker for specifying the scope of his authority and responsibilities;
(d) comply with the rules, regulations and bye-laws of the stock exchange;
(e) not be affiliated to more than one stock broker of one stock exchange.

(2) The sub-broker shall keep and maintain the books and documents specified in regulation 17 except for the books and documents referred to in clauses (h), (i), (j), (l) and (m) of sub-regulation (1) of regulation 17.

SCHEDULE II
CODE OF CONDUCT FOR STOCK BROKERS
[Regulation 15]

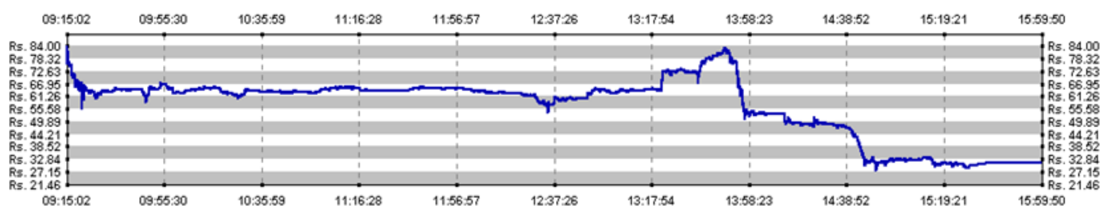
A. General.

(1) *Integrity: A sub-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.*

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

12. I find from the investigation report that BGIL had come out with an IPO issue through book building route in the price band of ₹75 to ₹ 82 for 67,20,000 equity shares, constituting 42.42% of post issue paid up capital, of ₹ 10. Almondz was the Book Running Lead Manager for the issue and the registrar to the issue was Karvy. CARE had assigned IPO Grade of '2' to BGIL IPO i.e. 'Below Average Fundamentals'. The issue opened for bidding on July 11, 2011 and closed on July 14, 2011. As per the minutes of the meeting between BGIL, Almondz and Karvy, the issue had received 5,098 valid applications for 98,90,775 equity shares (after technical rejections, including cheque returns / withdrawals), resulting in 1.47 times subscription. BGIL in consultation with Almondz decided to issue the shares at a price of 82 per share. Thus, 55.10 crore was raised from the market. The allotment of shares took place on July 21, 2011 after which, the shares were listed and admitted to dealings on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on July 28, 2011. On NSE 4,75,78,807 shares were traded and on BSE 4,07,25,468 shares were traded on the listing day i.e. on July 28, 2011. In total 8.83 crore shares were traded on BSE & NSE and 6.5% of shares were delivery based trades.

13. On the first day of trading i.e., on July 28, 2011, on BSE, the scrip opened at 81.9, went up to 83, stayed between 60-70 for some time and then plunged to ₹29.90 at close. On NSE, it opened at 84 (day's high), stayed around the 60- 70 for some time then plunged to 30.95 at close. Major allottees who were allotted shares in the IPO of BGIL had sold the shares so allotted on the listing day. 14,87,475 shares were allotted to 72 Non-Institutional Investors (NII). 69 NII had sold 15,81,912 shares, bought 1,87,579 shares and were net sellers of 13,94,333 shares. Only three NIIs had not sold the shares on first day. 52,32,525 shares had been allotted to 4824 retail applicants accounting to 77.86% of issue size within a range of 75 to 1495 shares per client. 1763 retail applicants had applied through ASBA. 468 retail applicants, who were allotted 33,02,115 shares, had not sold on the listing day. 17 clients had bought and sold for more than 5 lakh shares who had not received the shares through IPO. The price movement on the first day of listing (BSE) is given below:



14. I further find from the investigation report that 4,75,78,807 shares were traded on NSE and 4,07,25,468 shares were traded on BSE on the day of listing. It was observed that a part of the IPO proceeds had reached to three groups viz., GRD group, Korp group and Salasar group. The details of funding to these entities are given below:

(a.) <u>GRD Group</u> - 7.10 crore was transferred by BGIL to 5 entities: Noticee No. 6, Noticee No. 7, Noticee No. 8, Noticee No. 3, Noticee No. 5.

(b.) <u>Korp Group</u> - 3.43 crore was transferred by BGIL to 4 entities: Noticee No. 4, Notcee No. 9, 10 & 11.

(c.) Salasar Group- 2 crore was transferred by BGIL to 4 entities: Salasar Stock Broking Limited, Raj Kumar Saraogi, Pradeep Kumar Saraogi And Krishna Trade and Commerce Private Limited.

15. Before proceeding further, it is important to establish the connection between the above groups which is as under:

Connection among the GRD group:

SN	Name of the client	Connection & Annual Income details
1	Noticee No. 7	Jalans' directors Dilip Kumar Piplwa and Parmanand Drolia are also the dealers of GRD Securities Ltd. as per the Trade log. Directors of Jalan introduced MIPL and Orbit to GRD Securities. KYC of Jalan. As per ITR, Nil income was reported in the ITR for the assessment year 2010-11 and gross income of 2,47,356 was reported in ITR of 2011-12.
2	Noticee No. 6	Introduced by Dilip Kumar Piplwa who is one of the director of Jalan and dealer of GRD securities Ltd. Common telephone number (033-32929738) between Directors of MIPL and Orbit.. As per KYC, 5-10 lakh income group
3	Noticee No. 5	Introduced by Parmanand Drolia who is one of the director of Jalan and dealer of GRD Securities Ltd.. As per ITR, Gross income of 1,88,443 for the year 2011-12 , 24,110 was reported as gross income as per ITR for the year 2010-11 and 17052 was reported as gross income as per ITR for the year 2009-10.
4	Noticee No. 8	Introduced by Parmanand Drolia who is one of the director of Jalan and dealer of GRD Securities Ltd. Directors telephone number is 033-32929738 which is same as the directors of MIPL. As per ITR, reported nil income for the year 2010-11.
5	Noticee No. 3	Pramod Kumar Drolia and Bimal Kumar Drolia were the directors of GRD Securities Ltd.

Connection amongst the KORP Group:

Noticee Nos. 9, 10 and 11 are group companies. Rajesh Kumar Agarwal is the common director of Noticee Nos. 9, 10 and 11. Sushil Kumar Agarwal who is the director of Noticee No. 4, is brother of Rajesh Kumar Agarwal. Anuj Agarwal who is son of Sushil Kumar Agarwal is also director of Noticee No. 4.

Connection amongst Salasar Group:

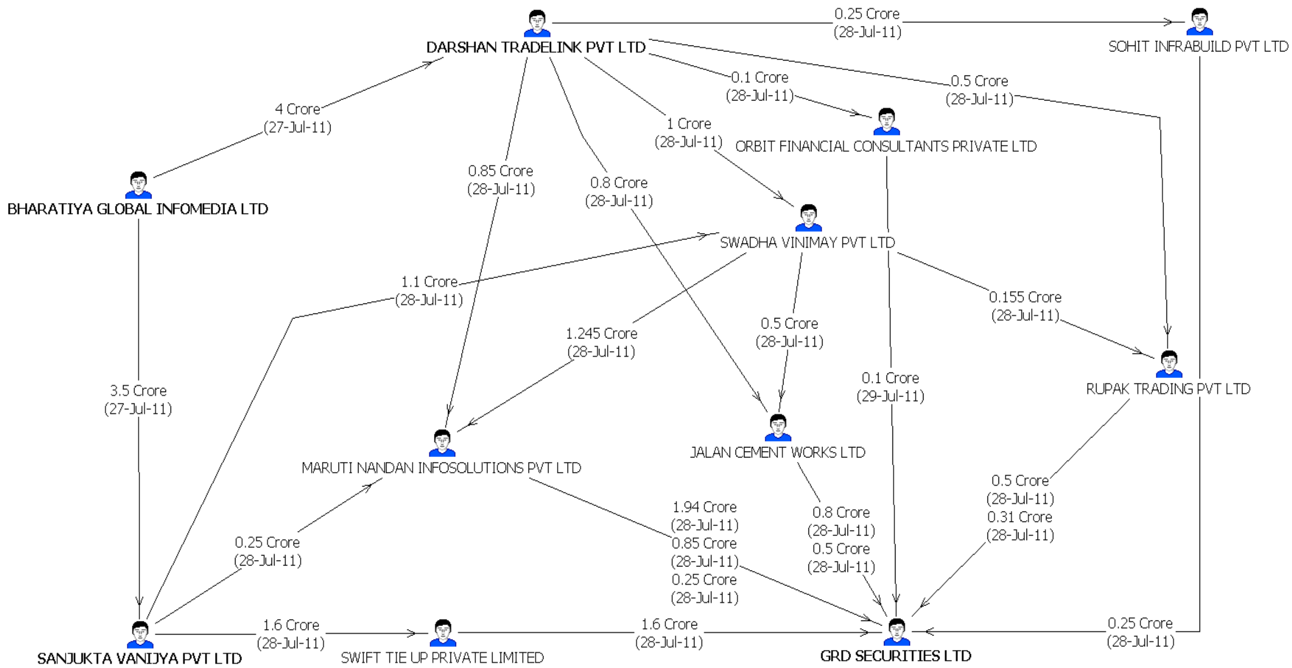
BGIL had transferred 2 crore from the IPO proceeds to Krishna Trade & Commerce Private Limited (KTCL) on the same day of IPO proceeds received by BGIL. KTCL, in turn, has transferred 1.92 crore to the stock broker Salasar Stock Broking Limited (SSBL) for the pay-in of funds for the purchase of the shares of Commex Technology Limited by SSBL. KTCL is one of the group companies of SSBL.

16. BGIL had transferred funds to the above two group entities including some of the Noticees. With respect to the GRD group it was noted that BGIL had transferred 7.5 crore to Sanjukta Vanijya Private Ltd and Darshan tradelink Private Limited which have common directors viz., Goutam Basotia (DIN-627395) and Santosh Kumar Sahal (DIN-743441). Out of 7.5 crore, 7.10 crore has reached Noticee No. 3, to compensate the loss incurred by GRD group entities and also by Noticee No. 3, on its own account trading.

17. The timing of the funds reaching these recipients is also of prime importance considering that the BGIL shares started trading from July 28, 2011and the pay-in of the funds for the first day trading was due on August 1, 2011 after the intervening weekend. These clients had incurred loss on the listing day while trading in the scrip of BGIL including the alleged exit given to the top allottees. The summary of trade and loss incurred details by GRD group on the listing day is given below:

CLIENT NAME / Exchange	NSE					BSE					Total Buy TQ	Total Sell TQ	Total Loss in	Amount Received in crore
	BUY TQ	SELL TQ	BUY RATE in	SELL RATE in	LOSS in	BUY TQ	SELL TQ	BUY RATE in	SELL RATE in	LOSS in				
MIPL	5,00,000	5,00,000	49.42	64.50	3,17,50,000	0	0	0	0	0	5,00,000	5,00,000	3,17,50,000	3.04
JALAN	4,00,000	4,00,000	40.64	64.55	2,54,20,211	0	0	0	0	0	4,00,000	4,00,000	2,54,20,211	1.30
ORBIT	1,78,202	1,78,202	31.01	69.66	1,22,35,186	2,06,039	2,06,039	68.97	42.57	54,39,713	3,84,241	3,84,241	1,76,74,899	0.10
GRD	1,18,469	1,05,869	66.22	66.38	77,57,884	4,300	4,300	72.48	72.81	1,399	1,22,769	1,10,169	77,56,485	1.06
SWIFT	0	0	0	0	0	5,00,500	5,00,500	64.30	44.49	99,11,767	5,00,500	5,00,500	99,11,767	1.60
Total	**11,96,671**	**11,84,071**			**7,71,63,281**	**7,10,839**	**7,10,839**			**1,53,52,879**	**19,07,510**	**18,94,910**	**9,25,16,160**	**7.10**

18. The fund movement chart is as under:

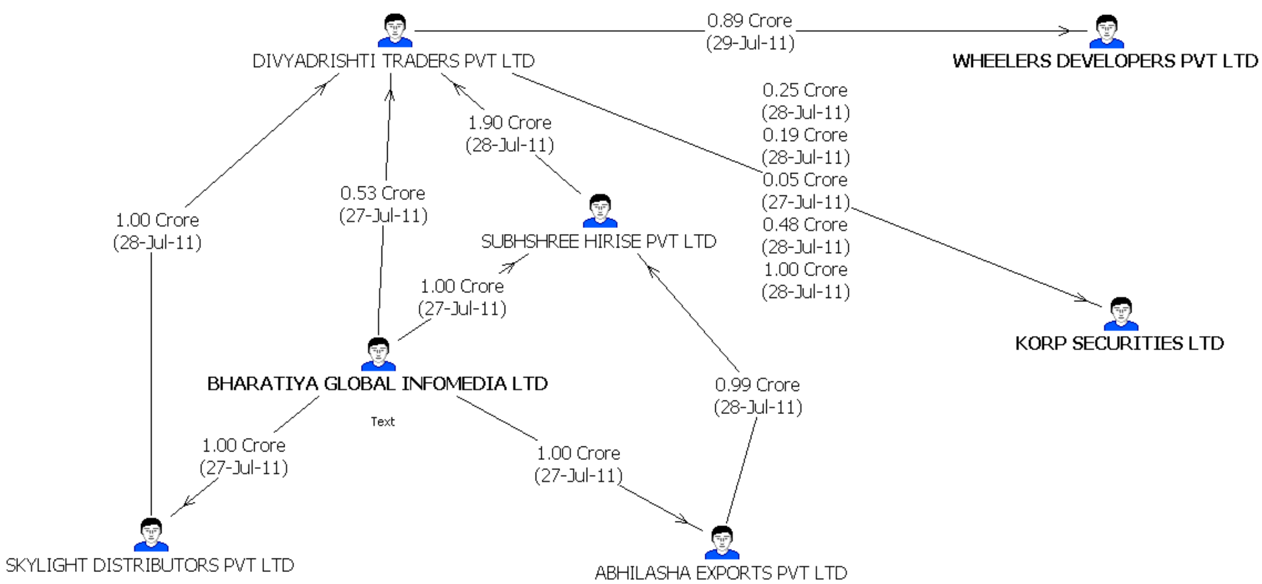


Client Name / Exchange	BSE					NSE					Total		
	Buy TQ	Sell TQ	Buy Rate	Sell Rate	Loss in	Buy TQ	Sell TQ	Buy Rate	Sell Rate	Loss in	Total Buy TQ	Total Sell TQ	Total Loss
Noticee No. 4	68,811	68,811	60.54	30.37	20,75,787	3,84,278	3,84,278	59.3	42.1	66,09,726	4,53,089	4,53,089	86,85,514
Noticee No. 9	-	-		-	-	2,26,907	2,26,907	59.44	31.77	62,78,647	2,26,907	2,26,907	62,78,647
Noticee No. 10	-	-		-	-	2,00,000	2,00,000	61.82	31.21	61,21,946	2,00,000	2,00,000	61,21,946

Noticee No. 11*	40,000	40,000	65	33	13,07,359	52,500	52,500	60	32	14,61,977	92,500	92,500	27,69,336
Total	**1,08,811**	**1,08,811**			**33,83,146**	**8,63,685**	**8,63,685**			**2,04,72,296**	**9,72,496**	**9,72,496**	**2,38,55,443**

19. With respect to the Korp group, BGIL had transferred 1 crore each to Abhilasha Exports Pvt Ltd, Skylight Distributors Private Limited, and Subhshree Hirise Pvt Limited. Out of 3 crore, 2.9 crore had reached to Noticee No. 11. In addition, BGIL had also transferred 0.53 crore directly to Noticee No. 11 making it a total of 3.43 crore. Out of this amount, Noticee No. 11 had transferred 0.89 crore to Noticee No. 9 and 1.97 crore to Noticee No. 4. The following are the trade details and funds movement details:

*Traded through JM Financial Services Private Ltd.



20. I find from the SCN and the investigation report that GRD group and Korp group had allegedly indulged in fraudulent and unfair trade practices in the securities market. The groups had entered into synchronized / structured trades with Noticee No. 1 and had traded in the shares of BGIL without the intention of change of ownership of shares. Noticee No. 1 was one of the major traders in the shares of BGIL on the listing day. GRD and Korp group entities, who had received funds from BGIL for the losses incurred by them while giving exit to the top allottees i.e. Noticee Nos. 11, 12, 13, 16 and 18, along with Noticee No. 1, had indulged in synchronized trades and structured trades. It was observed that Noticee No. 1 and 6 had executed synchronized trades for a quantity of 3,56,791 shares through two trades with a buy and sell order difference of four and two seconds only, respectively. The following are the trade details which allegedly shows meeting of minds:

BUYER NAME	SELLER NAME	Buy order no.	TRADE NUMBER	Buy LMT	Sell LMT	Time diff	TRADE TIME	BORD ORIG VOL	SORD ORIG VOL	BORD LIMIT PR	SORD LIMIT PR	TRD PRICE	Trade Qty
V P PATEL	MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	2011072802340931	2011072801538596	14:02:44	14:02:46	**00:00:02**	14:02:46	**250000**	**250000**	**53.5**	**53.5**	**53.5**	**245531**
V P PATEL	MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	2011072802342575	2011072801540028	14:03:01	14:03:05	**00:00:04**	14:03:05	**150000**	**150000**	**53.75**	**53.75**	**53.75**	**111260**

21. The detailed analysis of the said trades is as under:

- <u>Buy order no. 2011072802340931 of Noticee No. 1</u>:

  Noticee No. 1 had placed the buy order for the quantity of 2.5 lakh shares at 53.50 at 14:02:44. When Noticee No. 1 placed its buy order, pending sell orders were in the range of 53.60 to 143.50 with a quantity of 1 to 75000 @ 69.95, and sum of 10,10,581 shares. The other buy orders were in the range of 45.10 to 53.55. To be specific, buy order for 1,314 shares were pending at more than 53.50. Within two seconds, Noticee No. 6 had placed the sell order for the same quantity of 2.5 lakh shares at the same price of 53.50 which was immediately matched with pending orders with Noticee No. 1 and resulted into the bought quantity of 2,45,331 shares. Noticee Nos. 1 and 6 had synchronized in such a way that they had executed more than 98% of the shares intended to trade. Similarly, Noticee No. 1 had placed another buy order within 17 seconds which was also executed immediately and the details are given below.

- <u>Buy order no. 2011072802342575 of Noticee No. 1</u>:

  Noticee No. 1 had placed the buy order for the quantity of 1.5 lakh shares at 53.75 at 14:03:01. When Noticee No. 1 placed his buy order, pending sell orders were in the range of 53.85 to 143.50 with a quantity of 1 to 75,000 @ 69.95 (Noticee No. 1), and sum of 10,64,460 shares. The other buy orders were in the range of 45.10 to 53.80. To be specific, the buy order for 40 shares was pending at more than 53.75. Within four seconds, Noticee No. 6 had placed the sell order for the same quantity of 1.5 lakh shares at the same price of 53.75 which was immediately matched with pending orders of Noticee No. 1 and resulted into the bought quantity of 1,11,260 shares.

22. I further observe that Noticee No. 1 had executed two structured trades with Noticee No. 10 for 79,657 shares and Noticee No. 5 for 1,68,044 shares who had also received funds from BGIL. The following are the details of structured trades between Noticee No. 1 and 5 at BSE:

CLIENT NAME	CP CLIENT NAME	Buy order no.	TRADEID	LMT	CP LMT	Modified time diff	TRADE TIME	ORDER QTY	CP ORDER QTY	ORDER RATE	CP ORDER RATE	TRADE RATE	Traded Qty
V P PATEL	SWIFT TIE UP PRIVATE LIMITED	17000086115975	222239	14:08:14	14:06:37	0:01:37	14:08:14	175000	275000	53.5	53.45	53.45	168044

23. Upon analysis of the above trade, it was observed that when Noticee No. 1 placed its buy order, pending sell orders were in the range of 52.90 to 143.50 with a quantity of 1 to 274955 @ 53.45 (Noticee No. 5) and sum of 7,42,477 shares. The other buy orders were in the range of 78.05 to 45.10. Noticee No. 1 had placed the buy order for the quantity of 1.75 lakh shares at 53.50 at 14:08:14 in such a way to match its buy order with pending sell order of Noticee No. 5. Immediately, the buy order was matched with the pending order of Noticee No. 5 and resulted into bought quantity of 1,68,044 shares.

24. Structured trades of Noticee No. 1 with Noticee No. 11 is as detailed below:

BUYER NAME	SELLER NAME	Buy Order no.	Sell order no.	TRADE NUMBER	Buy LMT	Sell LMT	Time diff	TRADE TIME	BORD ORIG VOL	SORD ORIG VOL	BORD LIMI	SORD LIMI	TRD PRIC	Traded Qty
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670435	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670425	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000

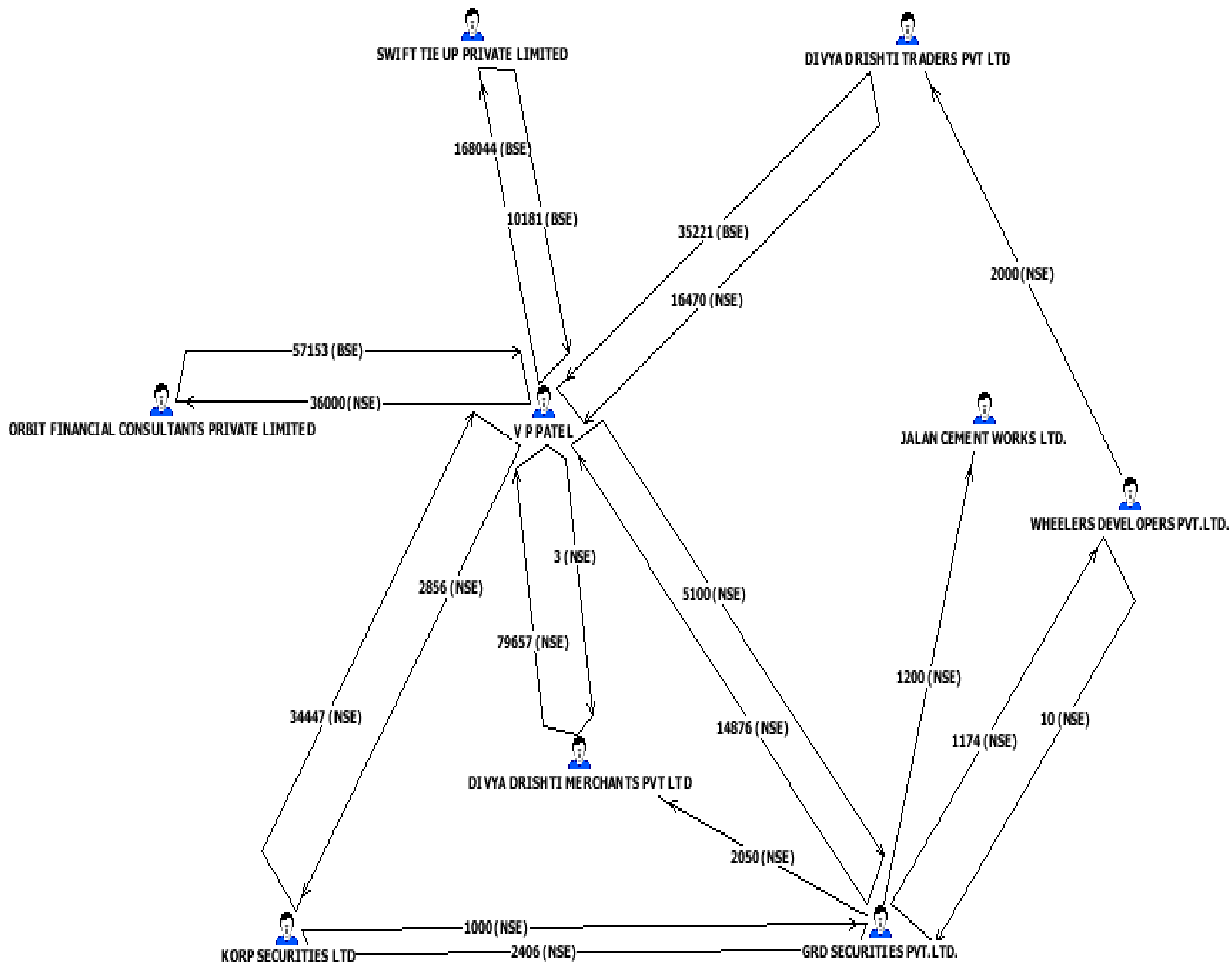
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670415	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	011072801183724	2011072801174503	2011072800670404	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670393	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670382	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670364	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	10000
DIVYA DRISHTI MERCHANTS PVT LTD	V P PATEL	2011072801183724	2011072801174503	2011072800670331	11:04:42	11:03:17	00:01:25	11:04:42	130000	100000	65	65	65	9657
DIVYA DRISHTI MERCHANTS PVT LTD Total	V P PATEL													79657

25. Noticee No. 10 had placed a buy order no. 2011072801183724 for a quantity of 1.3 lakh shares at 65 at 11:04:42. When Noticee No. 10 placed its buy order, pending sell orders were in the range of 64.75 to 143.50 with a quantity of 1 to 79657 @ 65 (Noticee No. 1), and sum of 13,13,707 shares. The other buy orders were in the range of 45.10 to 64.65. Immediately, the buy order was matched with the pending sell order of Noticee No. 1 and resulted into bought quantity of 79,657 shares.

26. GRD Group, Korp Group and Noticee No. 1 (referred in the investigation as BGIL group entities and hereinafter will also be referred the same) together had bought 31,18,165 shares and sold 31,18,165 shares at BSE on the listing day. Similarly, they had bought 48,17,780 shares and 48,05,180 at NSE on the listing day. The following are the client-wise details:

SELL CLIENT_NAME	Sum of BSE BUY TQ	Sum of BSE SELL TQ	BSE BUY AVG RATE	BSE SELL AVG RATE	Sum of NSE BUY TQ	Sum of NSE SELL TQ	NSE BUY AVG RATE	NSE SELL AVG RATE	TOTAL BUY QTY	TOTAL SELL QTY	PROFIT/LOSS
V P PATEL	22,98,515	22,98,515	59.8	68.01	27,57,424	27,57,424	61.51	61.74	50,55,939	50,55,939	1,95,13,333
SWIFT TIE UP PRIVATE LTD	5,00,500	5,00,500	64.3	44.49	-	-	-	-	5,00,500	5,00,500	-99,11,767
MARUTINANDAN INFOSOLUTIONS PRIVATE LTD	-	-	-	-	5,00,000	5,00,000	64.5	49.42	5,00,000	5,00,000	-75,38,319
KORP SECURITIES LTD	68,811	68,811	60.54	30.37	3,84,278	3,84,278	59.3	42.1	4,53,089	4,53,089	-86,85,514
JALAN CEMENT WORKS LTD	-	-	-	-	4,00,000	4,00,000	64.55	40.64	4,00,000	4,00,000	-95,63,488
ORBIT FINANCIAL CONSULTANTS PRIVATE LTD	2,06,039	2,06,039	68.97	42.57	1,78,202	1,78,202	69.66	31.01	3,84,241	3,84,241	-1,23,26,755
WHEELERS DEVELOPERS PRIVATE LTD	-	-	-	-	2,26,907	2,26,907	59.44	31.77	2,26,907	2,26,907	-62,78,647
DIVYA DRISHTI MERCHANTS PRIVATE LTD	-	-	-	-	2,00,000	2,00,000	61.82	31.21	2,00,000	2,00,000	-61,21,946
GRD SECURITIES PRIVATE LTD	4,300	4,300	72	73	1,18,469	1,05,869	66	66	1,22,769	1,10,169	-8,52,195
DIVYA DRISHTI TRADERS PRIVATE LTD	40,000	40,000	65	33	52,500	52,500	60	32	92,500	92,500	-27,69,336
	31,18,165	**31,18,165**			**48,17,780**	**48,05,180**			**79,35,945**	**79,23,345**	**-4,45,34,634**

27. Further, it was observed that BGIL group entities had traded among themselves by creating artificial volume of 5,62,674 shares at NSE and 2,70,599 shares at BSE without the intention of change of ownership. Out of 5,62,674 shares, for 4,21,633 shares the buy and sell order time difference was less than or equal to 16 seconds and for 4,24,133 shares the buy and sell order time difference was less than one minute. The BGIL group entities had also indulged in circular trades. The circular trades are picturized in the chart below:



25. The details of the circular trades executed by BGIL group entities at NSE is given below.

NSE		
BUYER_NAME	**SELLER_NAME**	**Total**
V P PATEL	MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	356791
V P PATEL	ORBIT FINANCIAL CONSULTANTS PRIVATE LIMITED	36000
V P PATEL	GRD SECURITIES PVT.LTD.	5100
V P PATEL	KORP SECURITIES LTD	2856
V P PATEL	DIVYA DRISHTI MERCHANTS PVT LTD	3
V P PATEL Total		**400750**
DIVYA DRISHTI MERCHANTS PVT LTD Total	V P PATEL	79657
KORP SECURITIES LTD	V P PATEL	34447
KORP SECURITIES LTD	GRD SECURITIES PVT.LTD.	1000
KORP SECURITIES LTD Total		**35447**
GRD SECURITIES PVT.LTD.	V P PATEL	14876
GRD SECURITIES PVT.LTD.	KORP SECURITIES LTD	2406
GRD SECURITIES PVT.LTD.	DIVYA DRISHTI MERCHANTS PVT LTD	2050
GRD SECURITIES PVT.LTD.	GRD SECURITIES PVT.LTD.	1634

GRD SECURITIES PVT.LTD.	JALAN CEMENT WORKS LTD.	1200
GRD SECURITIES PVT.LTD.	WHEELERS DEVELOPERS PVT.LTD.	1174
GRD SECURITIES PVT.LTD. Total		**23340**
DIVYADRISHTI TRADERS P LTD Total	V P PATEL	16470
MARUTINANDAN INFOSOLUTIONS Total	**KORP SECURITIES LTD**	**5000**
WHEELERS DEVELOPERS PVT.LTD.	DIVYA DRISHTI TRADERS PVT LTD	2000
WHEELERS DEVELOPERS PVT.LTD.	GRD SECURITIES PVT.LTD.	10
WHEELERS DEVELOPERS PVT.LTD. Total		**2010**
Grand Total		**562674**

26. The following is the summary of circular/reversal of trades among BGIL group entities on BSE on the listing day:

BSE		
CLIENT_NAME	**CP_CLIENT_NAME**	**Total**
V P PATEL	SWIFT TIE UP PRIVATE LIMITED	168044
ORBIT FINANCIAL CONSULTANTS PRIVATE LIMITED	V P PATEL	57153
DIVYADRISHTI TRADERS P LTD	V P PATEL	35221
SWIFT TIE UP PRIVATE LIMITED	V P PATEL	10181
Grand Total		**270599**

The above two tables indicate that the group had allegedly created artificial volume of 8,33,273 shares (BSE : 270599 + NSE: 562674) on the listing day.

27. Further, it was also observed during the investigation that Noticee No. 1 and Noticee No. 2 had entered into several self trades while trading through broker, Grishma Securities Pvt. Ltd (Grishma). These two Noticees were related to each other and the connection is as under:

- As per the Axis bank KYC, address of Noticee Nos. 1 & 2 are the same.
- It is observed from the bank statement of Noticee No. 1 that numerous bank transactions between Noticee No. 1 & 2.
- Noticee No. 1 was introduced by Noticee No. 2 to the broker Grishma

28. At NSE, Noticee No. 1 had bought 95,155 shares from Noticee No. 2, during the trade time from 12:34:56 to 12:35:06 through structured trades. Then, Noticee No. 1 had sold back 48,332 shares to Noticee No. 2 at 13:22:32 through structured trades. In other words, Noticee No. 1 had reversed the trades to the extent of 48,332 shares. Therefore, it was alleged that Noticee No. 1 and 2 entered into transactions without the intention of changing the ownership of the shares and thereby created false or misleading appearance of trading in the securities market (the artificial volume of 48,332 shares) at NSE. All the buy and sell orders were placed using two terminals operated by one Shri Chetan Dave, who had placed trades for Noticee No. 2. Shri Mihir Ghelani (compliance officer of Grishma) had placed trades for Noticee No. 1. The following are the trade details.

NSE						
Buyer_name	**Seller_name**	**Trade_number**	**Order Time diff.**	**Trade_time**	**Trd_price**	**Traded qty**
V P PATEL	VANRAJSINGH KAHOR	2011072801060152	00:00:11	12:34:56	54.75	20000
V P PATEL	VANRAJSINGH KAHOR	2011072801060155	00:00:11	12:34:56	54.75	20000
V P PATEL	VANRAJSINGH KAHOR	2011072801060157	00:00:11	12:34:56	54.75	8841
V P PATEL	VANRAJSINGH KAHOR	2011072801061480	00:00:21	12:35:06	54.75	10543
V P PATEL	VANRAJSINGH KAHOR	2011072801061484	00:00:21	12:35:06	54.75	20000
V P PATEL	VANRAJSINGH KAHOR	2011072801061486	00:00:21	12:35:06	54.75	15771
V P PATEL	**VANRAJSINGH KAHOR**					95155
VANRAJSINGH KAHOR	V P PATEL	2011072801282896	00:01:39	13:24:34	73	10000
VANRAJSINGH KAHOR	V P PATEL	2011072801282917	00:01:39	13:24:34	73	10000
VANRAJSINGH KAHOR	V P PATEL	2011072801282895	00:01:13	13:24:34	73	3923
VANRAJSINGH KAHOR	V P PATEL	2011072801282916	00:01:13	13:24:34	73	15000
VANRAJSINGH KAHOR	V P PATEL	2011072801282933	00:01:13	13:24:34	73	9409
VANRAJSINGH KAHOR	**V P PATEL**					48332

28. At BSE, similar *modus-operandi* was observed. Noticee No. 1 had bought 1,61,207 shares from Noticee No. 2 through structured trades on the listing day of BGIL shares. Noticee No. 1 started purchasing orders from 09:28:52 to 12:35:14. After purchase of the shares, Noticee No. 1 had sold back 1,87,469 shares to Noticee No. 2 on the same day through structured trades. Noticee No. 1 started selling from 13:29:53 to 13:47:57. In other words, Noticee No. 1 had reversed the trades to Noticee No. 2 to the extent of 1,61,207 shares. It was observed that these trades were being punched in at a single terminal (terminal No. 147202) i.e. buy trades of Noticee No. 1 and sell trades of Noticee no. 2 for a quantity of 111207 shares. Similarly, Noticee No. 1's sell trades and Noticee No. 2's buy trades for a quantity of 98,736 shares were also punched in at the same terminal (terminal no. 147202). Rest of the trades were punched in at terminal no. 147014. The following are the trade details:

BSE						
Buy Client_Name	**Sell Client_Name**	**TRADEID**	**Order time diff.**	**Trade Time**	**Trade Rate**	**Traded Qty**
V P PATEL	VANRAJSINGH KAHOR	27364	00:00:10	09:28:52	62	13576
V P PATEL	VANRAJSINGH KAHOR	33471	00:02:57	09:40:05	64	18674
V P PATEL	VANRAJSINGH KAHOR	33477	00:03:02	09:40:09	64	25000
V P PATEL	VANRAJSINGH KAHOR	103647	00:00:11	12:34:56	54.75	13759
V P PATEL	VANRAJSINGH KAHOR	104048	00:00:05	12:35:06	54.75	22873
V P PATEL	VANRAJSINGH KAHOR	104356	00:00:03	12:35:14	54.75	17325
V P PATEL	VANRAJSINGH KAHOR	36678	00:00:01	09:47:12	62.5	25000
V P PATEL	VANRAJSINGH KAHOR	104181	00:00:00	12:35:09	54.75	25000
V P PATEL Total	**VANRAJSINGH KAHOR**					**161207**
VANRAJSINGH KAHOR	V P PATEL	178824	00:00:04	13:47:57	81.95	47502
VANRAJSINGH KAHOR	V P PATEL	178327	00:02:09	13:47:51	81.95	42620
VANRAJSINGH KAHOR	V P PATEL	178161	00:02:07	13:47:49	81.95	4222
VANRAJSINGH KAHOR	V P PATEL	169652	00:00:02	13:43:28	79.4	6585
VANRAJSINGH KAHOR	V P PATEL	169204	00:00:04	13:43:20	79.25	8012
VANRAJSINGH KAHOR	V P PATEL	169205	00:00:03	13:43:20	79.25	16223
VANRAJSINGH KAHOR	V P PATEL	164812	00:00:00	13:40:45	78.95	41231
VANRAJSINGH KAHOR	V P PATEL	148181	00:00:19	13:29:53	73.25	21074
VANRAJSINGH KAHOR Total	**V P PATEL**					**187469**

29. The summary of the total trades and the percentage of circular / reversal trades on the listing day is as under:

	BSE				NSE				Total
CLIENT NAME	Buy TQ	Sell TQ	Circular and Reversal Trades	% of circular trades to buy or sell trades	Buy TQ	Sell TQ	Circular and Reversal Trades	% of circular trades to buy or sell trades	Circular and Reversal Trades
KAHOR	5,50,000	5,50,000	1,61,207	29.31	3,50,000	3,50,000	48,332	13.81	2,09,539
VPP	22,98,515	22,98,515	1,61,207	7.01	27,57,424	27,57,424	48,332	1.75	2,09,539

30. The investigation report further revealed that Noticee No. 1 had executed self trades at BSE for the quantity of 58,448 shares wherein the buyer and the seller for the trades was Noticee No. 1 himself. It was observed that the same two terminals which were used to place circular trades were used for execution of the self trades. These trades were entered without intention of changing the ownership of the securities and created a false / misleading appearance in the securities market. The following are the details.

CLIENT NAME	CP CLIENT NAME	TRADEID	LMT	CP LMT	Modified time diff	TRADE Time	ORDER QTY	CP ORDER QTY	ORDER RATE	CP ORDER RATE	TERMINAL NO	CP TERMINAL NO	TRADE RATE	Traded Qty
V P PATEL	V P PATEL	108726	12:37:43	12:30:37	00:07:06	12:37:43	200000	5000	60	60	147014	147202	60	5000
V P PATEL	V P PATEL	108656	12:37:43	12:30:44	00:06:59	12:37:43	200000	25000	60	59.5	147014	147202	59.5	23448
V P PATEL	V P PATEL	108626	12:37:43	12:31:02	00:06:41	12:37:43	200000	5000	60	59.25	147014	147202	59.25	5000
V P PATEL	V P PATEL	35891	09:46:47	09:46:50	00:00:03	09:46:50	25000	50000	63	63	147202	147014	63	25000
Grand Total														58448

31. In total, artificial volume of 267987 shares was allegedly created by Noticee No. 1 & 2 through the above fraudulent trades. It was, therefore, alleged in the SCN that Noticee Nos. 1 and 2 had traded in the scrip of BGIL in a fictitious manner without the intention of changing the ownership of the shares and thereby, creating artificial volume in the said scrip.

32. Further, it was observed that out of the top five allottees, top four allottees of BGIL shares i.e. Noticee Nos. 12, 13, 14 and 18 were given exit by the Noticee Nos. 1, 3 to 11 i.e. BGIL group entities. The following are the details of the top five allottees of BGIL shares including that of Noticee Nos. 12,13,14 and 18:

S.No.	PAN	Applicant name	Shares Applied	Shares Allotted	Exit given by BGIL group - shares	Exit % w.r.t. allotted shares
1.	AADPJ2136K	ANOOP JAIN	297300	297300	280525	94.36
2.	AAMPJ9586C	RITU JAIN	190500	190500	155824	81.80
3.	AOPPS6722L	NIMIT JAYENDRA SHAH	140625	140625	99167	70.52

4.	AAECR7575E	RATHOD STOCK BROKERS PRIVATE LIMITED	54825	54825	_-	
5.	AAAHA6321A	ANOOP JAIN-HUF	50025	50025	50025	100.00
Total (excluding Rathod Stock brokers private limited)			**678450**	**678450**	**585541**	**86.31**

33. In addition to exit given to Noticee Nos. 12, 13, 14 and 18, it was observed that BGIL group entities had bought substantial shares from Noticee No. 16 (1,85,442 shares), Noticee No. 20 (2,57,324 shares) and Noticee 21 (72,493 shares) who in turn had given exit to their clients / allottees. 38 allottees (1,60,332 shares) took exit through Noticee No. 16 by tendering their allotted shares towards pay-in obligations of Noticee No. 16. Further, Noticee No. 20 had given exit to 137 allottees for 1,96,322 shares and Noticee No. 21 had given exit to 124 allottees for 2,02,812 shares through their structured trade with the allottees. In total, BGIL group entities had executed structured trades for 11,00,800 shares to give exit to above mentioned allottees. The exchange wise details of structured trades by BGIL group entities are given below:

Exit given at NSE		
Exit given by(buyer)	**SELLER_NAME**	**Traded Qty**
V P PATEL	ANOOP MR VIMAL JAIN	194991
V P PATEL	SHIKHA SOMANI	90470
V P PATEL	NIMIT JAYENDRA SHAH	52887
V P PATEL	ANOOP JAIN HUF	50025
V P PATEL	PELF FINSTOCK LTD	1085
V P PATEL Total		389458
JALAN CEMENT WORKS LTD.	RITU JAIN	120000
JALAN CEMENT WORKS LTD.	ANOOP MR VIMAL JAIN	68876
JALAN CEMENT WORKS LTD. Total		188876
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	PELF FINSTOCK LTD	71408
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	SHIKHA SOMANI	50000
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED Total		121408
KORP SECURITIES LTD	RITU JAIN	35824
KORP SECURITIES LTD	SHIKHA SOMANI	20000
KORP SECURITIES LTD	ANOOP MR VIMAL JAIN	14799
KORP SECURITIES LTD	NIMIT JAYENDRA SHAH	9000
KORP SECURITIES LTD Total		79623
GRD SECURITIES PVT.LTD.	ANOOP MR VIMAL JAIN	1859
WHEELERS DEVELOPERS PVT.LTD.	SHIKHA SOMANI	24972
Grand Total		**806196**

Exit given at BSE		
Exit given by(buyer)	**Seller Name**	**Traded Qty**
V P PATEL	SHREE BAHUBALI INTERNATIONAL LTD	257324
V P PATEL	NIMIT JAYENDRA SHAH	37280
V P PATEL Total		**294604**

Exit given by Two brokers		
Exit given by(buyer)	**Seller Name**	**Traded Qty**
Shree Bahubali International Private Limited	137 allottees	196322
PELF Securities Ltd.	124 allottees	202812
		399134

Exit given to Anoop Jain Group:

34. Noticee Nos. 12, 13 and 14 (Anoop Jain's wife) (hereinafter referred to as Anoop Jain group) had applied through ASBA mode under NII category for 5,37,825 shares and were allotted 5,37,825 shares which constituted 8% of the total issue size. The details are as under:

CLIENT NAME	Allotted Qty	w.r.t. issue size	Buy Rate(IPO)	Sell Avg. rate	Sell TQ	Profit/Loss in
ANOOP VIMAL JAIN	2,97,300	4.42 %	82	76.77	2,97,300	**-15,55,007**
RITU JAIN	1,90,500	2.83 %	82	64.98	1,90,500	**-32,41,491**
ANOOP JAIN - HUF	50,025	0.74 %	82	82.5	50,025	**25,013**
Grand Total	5,37,825	7.99 %	82	73.13	5,37,825	**-47,71,485**

35. Anoop Jain group had sold all the allotted shares on the listing day through its broker i.e. Noticee No. 15 by entering into six sell orders. The dealer for the six sell orders (Noticee No. 13 - 3 orders, Noticee No. 14 - 2 orders and Noticee No. 12 - 1 order) was Noticee no. 13 himself. Out of 5,37,825 shares sold, 4,84,515 shares i.e. 90% of the sold shares were bought by three BGIL group entities viz., Noticee No. 7 (1,88,876 shares), Noticee No. 4 (50,623 shares) and Noticee No. 1 (2,45,016 shares).

36. <u>Exit given by Noticee No. 7</u>:

This Noticee had traded at NSE only. The following are its trading details:

Client Name / Exchange	NSE					Amount Received in crore
	Buy TQ	Sell TQ	Sell rate	Buy rate	Loss	
Jalan cement works	4,00,000	4,00,00	40.64	64.55	2,54,20,211	1.30

Noticee No. 7 had given exit to Noticee No. 14 to the extent of 1,20,000 shares i.e. 63% of the allotted shares and exit to Noticee No. 13 to the extent of 68,876 shares i.e. 23 % of the allotted shares. In total, it was observed that an exit of 1,88,876 shares was given by Noticee No. 7 to the Anoop Jain group through structure trades.

37. The trade details of Noticee No. 7 are as under:

BUYER NAME	SELLER NAME	BUY ORD NO	SELL ORD NO	BORD TIME	Buy LMT	SORD TIME	Sell LMT	TRADE TIME	BORD ORIG VOL	SORD ORIG VOL	BORD PRICE AT ORD ENTR	SORD PRICE AT ORD ENTR	BORD LIMIT PR	SORD LIMIT PR	Traded Qty
JALAN CEMENT WORKS LTD.	Ritu jain	2011072801067497	2011072800051839	10:45:48	10:45:48	09:15:24	10:38:04	10:45:48	400000	100000	62.7	82.2	65	65	60000
	Ritu	2011072801067497	2011072800057995	10:45:48	10:45:48	09:15:31	10:38:11	10:45:48	400000	90500	62.7	81.45	65	65	60000
	Anoop jain	2011072801067497	2011072800045749	10:45:48	10:45:48	09:15:17	10:38:00	10:45:48	400000	97300	62.7	80	65	65	68876
Grand Total															**188876**

38. Noticee No. 14 had placed two sell orders at 09:15:24 and 09:15:31 for the quantity of 1,00,000 shares @ 82.20 and 90,500 shares @ 81.45, respectively. Noticee No. 13 had placed the sell order at 09:15:17 @ 80 for 97,300 shares. Since, there were no buyers at this price, these orders did not result into trades. Subsequently, Noticee no. 13 had modified his sell order price to 65 at 10:38:00 and Noticee No. 14 had also modified her two sell orders price to 65 at 10:38:04 and 10:38:11. At this time the last traded price was at 63.30. The total sell orders quantity of Noticee No. 13 and 14 was 2,87,800 shares (1 lakh + 90,500 +97,300). In order to give exit to Noticee No. 13 and 14, Noticee No. 7 had placed buy order at 10:45:48 for the quantity of 4,00,000 shares at 62.70 with a Limit order rate of 65.00. Noticee No. 7 did not place any other buy orders. At the time of order placement by Noticee No.

7, the available pending sell orders were in the range of 62.75 to 143.5 with a quantity of 1 to 1,00,000 and sum of 15,94,611 shares. To be specific, pending sell orders available before order placement of Noticee No. 13 were 1,98,978 shares. Since, Noticee No. 7 wanted to give exit to Noticee No. 13 & 14 to the extent of 2,00,000 shares and pending orders were around 2,00,000 shares, Noticee No. 7 placed buy order of 4,00,000 shares at 10:45:48. Pending buy orders were in the range of 62.25 to 62.7 with a quantity of 1 to 30,000 and sum of 4,19,220 shares. Sell order of Noticee No. 14 was matched with the buy order of Noticee No. 7 and resulted into trade of 1,20,000 shares. Similarly, 68,876 shares of Noticee No. 13 were bought by Noticee No. 7. Other shares of Noticee No. 14 were bought by the other clients in the market. In total, 1,88,876 shares of Noticee Nos. 13 and 14 were bought by Noticee No. 7. The buy order of Noticee No. 7 was placed by Pramod Kumar Drolia (user-id: 15196) who is one of the director of Noticee No. 3.

39. In a similar manner, Noticee No. 4 had also given exit to Noticee no. 14 for rest of the unsold shares. The trade details of Noticee No. 4 are as under:

Client Name / Exchange	BSE					NSE					Total		
	Buy TQ	Sell TQ	Buy Rate	Sell Rate	Loss in	Buy TQ	Sell TQ	Buy Rate	Sell Rate	Loss in	Total Buy TQ	Total Sell TQ	Total Loss
KORP	68,811	68,811	60.54	30.37	20,75,787	3,84,278	3,84,278	59.3	42.1	66,09,726	4,53,089	4,53,089	86,85,514

40. Upon analysis, it was observed that once the buy order of Noticee No. 7 at 65 exhausted, 10,676 shares of Noticee No. 14 were bought by other buyers at 65. After that, there was no other buy order available at 65. Till then, Noticee No. 14 had sold 1,30,676 shares and 59,824 shares were still to be sold. Subsequently, Noticee no. 14 had modified price for both the orders to 64.95 as no buy orders were available at ₹65 and the order quantity was modified to 30,000 shares (order no. 2011072800051839) and 29824 shares (order no. 2011072800057995) at 10:51:03 and 10:51:13, respectively. Noticee No. 4 placed a buy order of 1,40,000 shares @ 63.85 with a limit order price of 65 at 11:04:23 to give exit to Noticee No. 14. This order immediately got matched with pending sell orders of Noticee No. 14 and resulted into purchase of 18,000 shares and 17,824 shares from both the sell orders, totaling to 35,824 shares @ 64.95 at 11:04:23.

41. Noticee No. 4 was also observed to have given exit to Noticee No. 13 (14,799 shares), Noticee No. 18 (9,000 shares), Noticee no. 16 (24972 shares) and has bought 1,14,104 shares from Noticee No. 1 with an average rate of 65.60 through structured trades. Analysis of the order log position for major quantity bought by Korp group entities is given below.

BUYER NAME	SELLER NAME	BUY ORD NO	SELL ORD NO	Buy LMT	Sell LMT	TRADE TIME	BORD LIMIT PRI	SORD LIMIT PRI	TRD PRICE	BORD ORIG VOL	SORD ORIG VOL	TQ
Noticee No. 10	Noticee No. 1	2011072801183724	2011072801174503	11:04:42	11:03:17	11:04:42	65	65	65.00	130000	100000	79657
Noticee No. 4	Noticee No. 1	2011072800074753	2011072800077016	09:15:59	09:16:03	09:16:03	76	76	76.00	1000	15000	1000
Noticee No. 4	Noticee No. 13	2011072801181398	2011072800045749	11:04:23	10:50:55	11:04:23	65	64.95	64.95	140000	27300	14799
Noticee No. 4	Noticee No. 14	2011072801181398	2011072800051839	11:04:23	10:51:03	11:04:23	65	64.95	64.95	140000	30000	18000
Noticee No. 4	Noticee No. 14	2011072801181398	2011072800057995	11:04:23	10:51:13	11:04:23	65	64.95	64.95	140000	29824	17824
Noticee No. 4	Noticee No. 1	2011072801181398	2011072801174503	11:04:23	11:03:17	11:04:23	65	65	65.00	140000	100000	1470
Noticee No. 4	Noticee No. 1	2011072801184390	2011072801058098	11:04:47	10:44:18	11:04:47	65.05	65.05	65.05	10000	50000	6956
Noticee No. 4	Noticee No. 1	2011072802045792	2011072802006700	13:29:02	13:23:36	13:29:02	73.25	73.25	73.25	5000	150000	1124
Noticee No. 4	Noticee No. 1	2011072802046938	2011072802006700	13:29:10	13:23:36	13:29:10	73.5	73.25	73.25	10000	150000	9499
Noticee No. 4	Noticee No. 1	2011072802188063	2011072802185847	13:45:38	13:45:23	13:45:38	81	80.75	80.75	5000	50000	4998
Noticee No. 4	Noticee No. 18	2011072802377873	2011072802355612	14:08:47	14:05:01	14:08:47	53.5	53.5	53.50	25000	85722	9000
Noticee No. 4	Noticee No. 1	2011072802405257	2011072802397197	14:12:40	14:11:33	14:12:40	53.4	53.4	53.40	10000	50000	9400

Noticee No. 9	Noticee No. 16	2011072801185491	2011072801187355	11:04:57	11:05:13	11:05:13	65	65	65.00	130000	25000	24972
Grand Total												**218699**

- <u>Noticee No. 4 - Buy order no. 2011072801181398</u>: Noticee No. 4 in its own account placed the buy order for 1,40,000 shares at 11:04:23 at 65. The order was placed by one dealer, Anuj Agarwal. At the time of order placement, the available pending buy orders were in the range of 45.1 to 63.80 with a quantity of 1 to 30,000 and sum of 4,51,864 shares. Pending sell orders were in the range of 63.85 to 143.50 with a quantity of 1 to 1,00,000 shares and sum of 14,39,632 shares. To be specific, pending sell orders were available below 65 and were pending much before Noticee No. 13's order for 60,399 shares. These pending orders include sell order of Noticee No. 13 for the quantity of 27,300 shares @ 64.95 and two sell orders of Noticee No. 14 for the quantity of 30,000 & 29,824 shares @ 64.95 (the rates were modified from 65 to 64.95 after the exit for 1,88,876 shares given by Noticee No. 7). These pending sell orders were matched and resulted into the bought quantity of 14,799 shares from Noticee No. 13 and 35,824 shares from Noticee No. 14.

- <u>Buy order no. 2011072801183724 of Noticee No. 10</u>: Noticee No. 10 had placed buy order for 1,30,000 shares at 11:04:42 at 65. At the time of order placement, the pending buy orders were in the range of 45.1 to 63.80 with a quantity of 1 to 30,000 shares and sum of 4,54,618 shares. 9,170 shares of pending sell orders were available below 65. The first sell order which was pending at 65 was of Noticee No. 1 for the quantity of 79,657 shares which matched immediately and Noticee No. 1 sold 79,657 shares to Noticee No. 10.

- <u>Buy order no. 2011072801185491 of Noticee No. 9</u>: Noticee No. 9 had placed the buy orders of 1,30,000 shares at 11:04:57 at 65. At the time of order placement, the available pending buy orders were in the range of 45.1 to 65.05 with a quantity of 1 to 30,000 shares and sum of 4,88,072 shares. No orders were pending at 65. Noticee No. 16 placed the sell order at 11:05:13 for the quantity of 25,000 shares @ 65, these orders were matched and resulted into bought quantity of 24,972 shares.

42. The above three buy orders of Korp group viz., Noticee Nos. 4, 9 and 10 were placed around the same time viz.,11:04:23, 11:04:42, 11:04:57 for the quantities of 1,40,000, 1,30,000 & 1,30,000 at 65. In total, Korp group entities had placed orders for 4,00,000 shares at 65. Out of 4,00,000 shares, it is alleged that 1,56,772 shares were matched with the allottees i.e. Noticee Nos. 13, 14, 16, 18 and Noticee No. 1.

43. From the above analysis, it was alleged that Korp group who had received the money from BGIL had given exit to top allottees i.e. Noticee Nos. 12, 13, 14 and 18. Korp group entities sold all the shares they had bought and the sale of majority of the shares were commenced from 14:46:02 at lower than the buy-price of Korp group. This resulted into a loss of 2.05 crore which was alleged to have compensated by the company BGIL through fund transfer of 3.43 crore.

	NSE				
Client Name / Exchange	**Buy TQ**	**Sell TQ**	**Buy Rate**	**Sell Rate**	**Loss in**
Korp Securities Ltd	3,84,278	3,84,278	59.3	42.1	66,09,726
Wheelers Developers Private Ltd	2,26,907	2,26,907	59.44	31.77	62,78,647
Divya Drishti Merchants Private Ltd	2,00,000	2,00,000	61.82	31.21	61,21,946
Divya Drishti Traders Private Ltd	52,500	52,500	60	32	14,61,977
	8,63,685	8,63,685			2,04,72,296

44. In a similar manner, Noticee No. 1 had given exit to Noticee No. 12. The details are as under:

BUYER NAME	SELLER NAME	BUY ORD NO	SELL ORD NO	BORD ORIG VOL	SORD ORIG VOL	Buy LMT	Sell LMT	TRADE TIME	BORD LIMIT PR	SORD LIMIT PR	TRD PRICE	Traded Qty
Noticee No. 1	ANOOP JAIN HUF	2011072800017846	2011072800032755	250000	50025	09:15:02	09:15:08	09:15:08	82.5	82.5	82.50	50025
Grand Total												**50025**

45. Analysis of the above order showed that Noticee No. 1 had placed its buy order at 09:15:02 for 2,50,000 shares @ 82.50. The buy order of Noticee

No. 1 was placed by the dealer Shri Mihir C Ghelani. At this point of time, all the other buy orders were in the range of 63.30 to 81.00 for the quantity of minimum of 50 shares @ 70 and maximum of 5,000 shares @ 70.25 with total of 26,104 shares. Immediately, Noticee No. 12 had placed its sell order at 09:15:08 for 50,025 shares @ 82.50 and the entire 50,025 shares of Noticee No. 12 were bought by Noticee No. 1 through a single match trade with the buy and sell order time difference of 6 seconds. In view of the same, it is alleged that Noticee No. 1 had given exit to Noticee No. 12 through structured trades.

46. Further, Noticee no. 1 had also given exit to Noticee No. 13. The details are given as under:

BUYER NAME	**SELLER NAME**	**BUY ORD NO**	**SELL ORD NO**	**BORD ORI**	**SORD ORI**	**Buy LMT**	**Sell LMT**	**TRADE TIME**	**BORD LIM**	**SORD LIM**	**TRD PRI**	**Total**
Noticee No. 1	ANOOP MR VIMAL JAIN	2011072800017846	2011072800021616	250000	100000	09:15:02	09:15:03	09:15:03	82.5		82.50	100000
Noticee No. 1	ANOOP MR VIMAL JAIN	2011072800030512	2011072800034941	100000	100000	09:15:07	09:15:09	09:15:09	82.5	82.5	82.50	94991
Noticee No. 3	ANOOP MR VIMAL JAIN	2011072800034389	2011072800034941	5000	100000	09:15:08	09:15:09	09:15:09	82.7	82.5	82.70	1859
Grand Total												**196850**

47. Analysis of the above orders show that Noticee no. 13 had placed two sell orders for 1,00,000 shares each at 82.5 at 09:15:03 and 09:15:09, respectively. At that point of time, the pending sell orders were in the range of 82.9 to 120.40 with a sell quantity of 1 to 40,000 shares and total of 3,59,760 shares. At that point of time buy order of Noticee No. 1 was pending for 2,31,666 shares @ 82.50. The rest of the buy order was in the range of 63.30 to 82.15 for the quantity of 34,631 shares. Immediately, these two sell orders were matched with buy orders of Noticee No. 1 and resulted into the trade of 1,00,000 shares and 94,991 shares, respectively. The order position and bulk quantity and higher price is an indicator that Noticee No. 1 and Noticee No. 13 had prior understanding of the placing these orders. The exit to Anoop jain group was allegedly facilitated by the company as these entities belonged to the BGIL group. The said group was observed to have incurred loss while giving exit to the allottees and were ultimately, compensated by the company through fund transfers.

<u>Exit given to Noticee No. 18 (Nimit)</u>:

48. Noticee No. 18 was one of the allottees who was allotted 1,40,625 shares of BGIL through IPO. It was observed during investigation that Noticee No. 18 had sold all the allotted shares on the listing day. He had traded through sub-broker Noticee No. 19 (INS234248636 and INS010661614) and the main broker is ASE Capital Markets Limited. The following is the summary of the trade details of Nimit:

SELL PAN NO	SELL CLIENT NAME	Sum of BSE BUY TQ	Sum of BSE SELL TQ	BSE BUY AVG RATE	BSE SELL AVG RATE	Sum of NSE BUY TQ	Sum of NSE SELL TQ	NSE BUY AVG RATE	NSE SELL AVG RATE	TOTAL BUY QTY	TOTAL SELL QTY	BUG AVG. RATE	SELL AVG. RATE
AOPPS6722L	NIMIT JAYENDRA SHAH	440	65,440	63.56	51.33	25,000	1,00,625	29.94	49.71	25,440	1,66,065	30.52	50.34

49. Further, BGIL group entities were observed to have given exit of 61,887 shares at NSE and 37,280 shares at BSE to Noticee No. 18. In total, BGIL group entities had given exit of 99,167 shares out of 1,40,625 shares (i.e. 70.5 %) allotted to Noticee No. 18. The details are given as under:

BUYER NAME	SELLER NAME	BUY ORD NO	SELL ORD NO	TRADE	Buy LMT	Sell LMT	SORD ORIG	BORD ORIG	BORD LIMIT	SORD LIMIT	TRD PRI	Traded
Noticee No. 4	NIMIT JAYENDRA SHAH	2011072802377873	2011072802355612	14:08:47	14:08:47	14:05:01	85722	25000	53.5	53.5	53.50	9000
Noticee No. 1	NIMIT JAYENDRA SHAH	2011072802440810	2011072802433596	14:16:16	14:16:11	14:16:16	76722	250000	49.05	49	49.05	52887
Grand Total												61887

55. The detailed analysis of each of the buy and the sell order entered into by Noticee No. 18 on NSE with BGIL related entities is as under:

- <u>Sell order no. 2011072802355612 of Noticee No. 1</u>:

  Noticee No. 18 had placed one sell order at 14:05:01 for the quantity of 85,722 shares @ 53.5. At that point of time, the buy orders were in the range of less than or equal to 53.35. Since, no buyer was available at 53.50, the order was not converted into trades. Other sell trades were in the range of 53.4 to 143.5 for the quantity of 1 to 2,27,278 shares.

- <u>Buy order no. 2011072802377873 of Noticee No. 4</u>: Within few minutes of sell order of Noticee No. 18, Noticee No. 4 had placed the buy order quantity of 25,000 shares @ 53.50 at 14:08:47 to match with Noticee No. 18. Immediately, the buy order was matched with order of Noticee No. 4 and resulted into a trade of 9,000 shares. The remaining unexecuted sell order quantity of 76,722 shares was deleted by Noticee No. 18 at 14:12:32.

- <u>Sell order no. 2011072802433596 of Noticee No. 18</u>: Noticee No. 18 had placed another sell order at 14:15:32 for the quantity of 76,722 shares @ 51. At that point of time, the buy orders were in the range of less than or equal to 48.7. Since, there was no buyer available at 51, the order was not converted into trades.

- <u>Buy order no. 2011072802440810 of Noticee No. 1</u>: In order to give exit to Noticee No. 18, Noticee No. 1 had placed the buy order within 40 seconds for the quantity of 2.5 lakh shares at 49.05 at 14:16:11. Other pending buy orders were in the range of 36.9 to 49.50. To be specific, 65 clients were ready to buy for the price between 49.05 and 49.50 for 13,955 shares. However, the pending sell orders were in the range of 49.55 to 143.50 with a quantity of 1 to 1,93,278 @ 51 (Jhaveri Trading and Investment Private Limited), and sum of 16,04,894 shares. Order of Noticee No. 1 was not executed since, there was no seller available at 49.05.

- <u>Sell order no. 2011072802433596 of Noticee No. 18 (modified)</u>: After the buy order of Noticee No. 1 for quantity of 2.5 lakh shares at 49.05, Noticee No. 18 had modified its pending sell order rate to 49 within 5 seconds to match with Noticee No. 1's buy order. At this point of time, 4621 shares of buy orders were available above 49.05 and Noticee No. 1's buy orders were available for 52,887 shares @ 49.05. The modified order of Noticee No. 18 was immediately matched with the sell order of Noticee No. 1 and resulted into trades of 52,887 shares.

56. Similarly, at BSE also Noticee No. 1 had executed structured trades with Noticee No. 18 to give exit to him and the same is explained below:

CLIENT NAME	CP CLIENT NAME	ORDER NO	CP ORDER NO	TRADEID	Trade time	LMT	CP LMT	Modified time diff	ORDER QTY	CP ORDER	ORDER RA	CP ORDER	TRADE RA	Traded Qty
Noticee No. 1	NIMIT	17000081002850	20000085001738	33119	09:38:07	09:37:08	09:38:07	00:01:00	250000	20000	64	64	64	20000
Noticee No. 1	NIMIT	17000081002850	16000070001958	33502	09:40:18	09:37:08	09:40:18	00:03:10	250000	20000	64	64	64	17280
Grand Total														37280

57. The detailed analysis of each of the buy and sell order entered into by Noticee No. 18 on BSE with Noticee No. 1 is as under:

- Buy order no. 17000081002850 of Noticee No. 1: Noticee No. 1 had placed buy order for the quantity of 2.5 lakh shares at 64 at 09:37:08. Other pending buy orders were in the range of 45.10 to 64.3. Specifically, 4,003 shares of other buy orders were pending for the price up to 64. When Noticee No. 1 placed its buy order, pending sell orders were in the range of 61.85 to 140 with a quantity of 1 to 40,000, and sum of 7,65,530 shares. Specifically, sell order was pending for only 50 shares up to the price of 64. Less than a minute later, Noticee No. 18 had placed the sell order quantity of 20,000 shares @ 64 at 9:38:07 to match with the pending buy orders of Noticee no. 1 which was matched immediately and resulted into bought trades of 20,000 shares.
- After the sell quantity of 20,000 shares, Noticee No. 18 had placed another sell order to match the same pending buy order of Noticee No. 1. Noticee no. 18 had placed the sell order quantity of 20,000 shares @ 64 at 9:40:18. At this point of time, two more buyers were available at 64.05 for the quantity of 2,720 shares along with Noticee No. 1. Immediately these sell orders were matched and resulted into trades of 20,000 shares (2,720 from other clients + 17,280 from Noticee No. 1).

<u>Exit given to Noticee No. 16</u>: (Shikha)

58. It is observed from the allotment details that Noticee No. 16 had received 1,495 shares. The trade details revealed that Noticee No. 16 (client code of S336) had deliverable volume of 1,60,332 shares and squared-off trade volume of 83,646 shares. Noticee No. 17 was the broker acting on behalf of Noticee No. 16. Further, it was noted that Noticee No. 16 is the daughter of one of the directors of Noticee No. 17 (Shri Nawneet Somani). The following are the trade details of Noticee No. 16:

SELL CLIENT NAME	Sum of NSE BUY TQ	Sum of NSE SELL TQ	NSE BUY AVG RATE	NSE SELL AVG RATE
SHIKHA SOMANI	83,646	2,43,978	62.66	62.84

It was observed from the de-mat statement of Noticee No. 16 that out of deliverable volume of 1,60,332 shares, only 11,953 shares were transferred from her demat account for the pay-in obligations of the securities. She had not made pay-in for the remaining 1,48,379 shares. From the details submitted by Noticee No. 17, broker of Noticee No. 16, it was observed that the pay-in of securities was received from 38 clients from 95 de-mat account. These clients are referred as Somani Group in the Investigation report. It was observed that Noticee No. 17 had placed 18 sell orders on the trading account of Noticee No. 16 (S336) for 1,60,332 shares, sell order quantity ranging from 8 to 29,000 shares. It is observed that Noticee No. 17 had clubbed 38 clients' sell orders into 18 sell orders with one client code. As the counter parties to all these sell orders were entities belonging to BGIL group viz. Noticee Nos. 1, 6, 4 and 9, it was alleged that these sell orders were placed to execute structured trades by Noticee No. 17 to facilitate BGIL group entities to give exit to 38 entities. The following are sell order details:

Sl.No.	SELL_ORD_NO	SORD_OR	Traded
1.	2011072800437418	12500	12500
2.	2011072800463732	25000	25000
3.	2011072800465305	25000	25000
4.	2011072800469899	25000	25000
5.	2011072800471058	5218	5218
6.	2011072800486028	10252	10252
7.	2011072800546231	25000	25000
8.	2011072800551546	25000	25000
9.	2011072800687716	25548	25548
	2011072800687716	29000	3452
10.	2011072800904740	3727	3727

	2011072800904740	5000	1273
11.	2011072801145151	8	8
12.	2011072801179314	20000	20000
13.	2011072801187355	25000	25000
14.	2011072801247745	2000	2000
15.	2011072802770604	5000	5000
16.	2011072802897523	1500	1500
17.	2011072803030567	2500	2500
18.	2011072803036924	1000	1000
	Grand Total		243978

- Contract notes for the entire trades were issued to Noticee No. 16
- The net credit amount was credited in Noticee No. 16's ledger

58. The trade details are as under:

BUYER NAME	SELLER NAME	BUY ORD NO	SELL ORD NO	TRADE NUMBER	Buy LMT	Sell LMT	TRADE TIME	BORD ORIG VOL	SORD ORIG VOL	BORD LIMIT PR	SORD LIMIT PR	TRD PRICE	TQ
V P PATEL	SHIKHA SOMANI	2011072800514115	2011072800463732	2011072800246445	09:43:51	09:39:09	09:43:51	250000	25000	64.5	64.5	64.5	25000
V P PATEL	SHIKHA SOMANI	2011072800514115	2011072800465305	2011072800246454	09:43:51	09:39:17	09:43:51	250000	25000	64.5	64.5	64.5	25000
V P PATEL	SHIKHA SOMANI	2011072800514115	2011072800469899	2011072800246466	09:43:51	09:39:42	09:43:51	250000	25000	64.5	64.5	64.5	25000
V P PATEL	SHIKHA SOMANI	2011072800514115	2011072800486028	2011072800246493	09:43:51	09:41:17	09:43:51	250000	10252	64.5	64.5	64.5	10252
V P PATEL	SHIKHA SOMANI	2011072800514115	2011072800471058	2011072800246469	09:43:51	09:42:05	09:43:51	250000	5218	64.5	64.5	64.5	5218
V P PATEL Total	SHIKHA SOMANI												90470
KORP SECURITIES LTD	SHIKHA SOMANI	2011072801181398	2011072801179314	2011072800668243	11:04:23	11:04:04	11:04:23	140000	20000	65	64.25	64.25	20000
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	SHIKHA SOMANI	2011072800586030	2011072800546231	2011072800291107	09:49:29	09:46:43	09:49:30	500000	25000	64.5	64.5	64.5	25000
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED	SHIKHA SOMANI	2011072800586030	2011072800551546	2011072800291109	09:49:29	09:47:07	09:49:30	500000	25000	64.5	64.5	64.5	25000
MARUTINANDAN INFOSOLUTIONS PRIVATE LIMITED Total	SHIKHA SOMANI												50000
WHEELERS DEVELOPERS PVT.LTD.	SHIKHA SOMANI	2011072801185491	2011072801187355	2011072800672876	11:04:57	11:05:13	11:05:13	130000	25000	65	65	65	10252
WHEELERS DEVELOPERS PVT.LTD.	SHIKHA SOMANI	2011072801185491	2011072801187355	2011072800672885	11:04:57	11:05:13	11:05:13	130000	25000	65	65	65	13000
WHEELERS DEVELOPERS PVT.LTD.	SHIKHA SOMANI	2011072801185491	2011072801187355	2011072800672894	11:04:57	11:05:13	11:05:13	130000	25000	65	65	65	1720
WHEELERS DEVELOPERS PVT.LTD. Total	SHIKHA SOMANI												24972
Grand Total													1,85,442

59. Analysis of the above trades is as under:

➢ <u>Sell order no. 2011072800463732 of Noticee No. 16:</u> Noticee No. 16 had placed a sell order for the quantity of 25,000 shares @ 64.5 at 9:39:09

while buy orders were available below 64.25. At that point of time, pending sell orders were in the range of 64.3 to 140 for the quantity of 1 to 1,00,000 shares, totaling to 14,09,409 shares. Since, there was no buy order matching with that sell order of Noticee No. 16, the order did not result into trade immediately.

- Similarly, Shikha had placed four more sell orders at 64.5 which did not get executed into any trade as there were no buyers available at 64.5. All the four orders were placed with a time gap of 8 seconds, 25 seconds, 95 seconds and 48 seconds, respectively.

- Sell order no. 2011072800465305 of Noticee No. 16: Noticee No. 16 had placed another sell order for the quantity of 25,000 shares @ 64.5 at 9:39:17 while buy orders were available below 64.25. At this point of time, pending sell orders were in the range of 64.4 to 140 for the quantity of 1 to 1,00,000 shares, totaling to 14,74,352 shares. Since, there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- Sell order no. 2011072800469899 of Noticee No. 16: Noticee No. 16 had placed another sell order for the quantity of 25,000 shares @ 64.5 at 9:39:42, while buy orders were available below 64.25. At that point of time, pending sell orders were in the range of 64.1 to 140 for the quantity of 1 to 1 lakh shares, totaling to 14,38,103 shares. Since, there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- Sell order no. 2011072800486028 of Noticee No. 16: Noticee No. 16 had placed another sell order for the quantity of 10,252 shares @ 64.5 at 9:41:17 while buy orders were available below 64.10. At that point of time, pending sell orders were in the range of 64.15 to 140.3 for the quantity of 1 to 1 lakh shares, totaling of 15,28,473 shares. Since there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- Sell order no. 2011072800471058 of Noticee No. 16: Noticee No. 16 had placed another sell order for the quantity of 9,700 shares @ 64.5 at 9:42:05 and the same sell order quantity was modified to 5,218 shares while buy orders were available below 63.95. At that point of time, pending sell orders were in the range of 64 to 140.3 for the quantity of 1 to 1 lakh shares, totaling of 15,84,902 shares. Since there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- In total, 5 sell orders were scheduled to match with the BGIL group entities for the quantity 90,470 shares @ 64.5.

- <u>Buy order no. 2011072800514115 of Noticee No.</u> 1: After these sell orders, immediately Noticee No. 1 placed a buy order (structured) to match with the sell orders of Noticee No. 16 i.e., Noticee No. 1 had placed a buy order for the quantity of 2.5 lakh shares at 64.5 at 09:43:51. When Noticee No. 1 placed its buy order, pending sell orders were in the range of 64.45 to 143.50 with a quantity of 1 to 1,02,050 shares and for the sum of 17,13,275 shares. Specifically, the pending sell orders before Noticee No. 16's first sell order was 48,297 shares and before the last sell order of Noticee No. 16's was 1,54,406 shares. Noticee No. 1 placed the buy order quantity of 2.5 lakh shares which was matched immediately with the pending sell orders of Noticee No. 16 scheduled at various times viz., 09:39:09 (25,000 shares), 09:39:17(25,000 shares), 09:39:42(25,000 shares), 09:42:05(5,218 shares) and 09:41:17(10,252 shares) among other sell orders. In total, Noticee No. 1 gave exit to Noticee No. 16 for 90,470 shares by executing the structured trade with her.

60. Similarly, other sell orders of Noticee No. 16 were also structured so as to match with BGIL group entities. The same is detailed below:

- <u>Sell order no. 2011072801179314 of Noticee No. 16:</u> Noticee No. 16 had placed another sell order for the quantity of 20,000 shares @ 64.25 at 11:04:04 while the buy orders were available below 63.85. At this point of time, pending sell orders were in the range of 64 to 143.50 for the quantity of 1 to 1 lakh shares, totaling to 14,09,523 shares. Since, there was no buy order matching with that of Noticee No. 16’s sell order, the order did not result into trade immediately.

- <u>Buy order no. 2011072801181398 of Noticee No. 4:</u> Noticee No. 4 (own account) had placed a buy order for the quantity of 1.4 lakh shares at 11:04:23 @ 65. At the time of order placement, the available pending buy orders were in the range of 45.1 to 63.80 with a quantity of 1 to 30,000 shares and the sum of 4,51,864 shares. Pending sell orders were in the range of 63.85 to 143.50 with a quantity of 1 to 1,00,000 shares and sum of 14,39,632 shares. Specifically, the pending sell orders up to Noticee No. 16's sell order was 6,230 shares. Immediately, the buy order of Noticee No. 4 was matched with the pending sell order of Noticee No. 16 for the quantity of 20,000 shares and resulted into the trades of 20,000 shares. It is pertinent to mention that Noticee No. 4 placed the buy order for a larger quantity than Noticee No. 16's sell order quantity, since it was also structured to give exit to the top allottees i.e. Noticee Nos. 13 and 14 for 50,623 shares along with Noticee No. 16. (The detailed analysis of the structured trade with Noticee Nos. 13 and 14 is already done in above paras).

- <u>Sell order no. 2011072800546231 of Noticee No. 16:</u> Noticee No. 16 had placed another sell order for the quantity of 25,000 shares @ 64.50 at 09:46:43 while the buy orders were available below 63. At this point of time, pending sell orders were in the range of 63.1 to 143.50 for the quantity of 1 to 1 lakh shares, totaling of 15,94,874 shares. Since there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- <u>Sell order no. 2011072800291109 of Noticee No. 16:</u> Noticee No. 16 had placed another sell order within 30 seconds for the quantity of 25,000 shares @ 64.50 at 09:47:07 while the buy orders were available below 62.25. At this point of time, pending sell orders were in the range of 62.3 to 143.50 for the quantity of 1 to 1 lakh shares, totaling to 16,29,929 shares. Since there was no buy order matching with that of Noticee No. 16's sell order, the order did not result into trade immediately.

- In total, 2 sell orders were scheduled to match with the BGIL group for the quantity 50,000 shares @ 64.5.

- <u>Buy order no. 2011072800586030 of Noticee No.</u> 6: After Noticee No. 16 scheduled the two sell orders, immediately Noticee No. 6 had placed the buy order for the quantity of 5 lakh shares at 64.5 at 09:49:29. The other pending buy orders were in the range of 64.40 to 45.10. When Noticee No. 6 placed its buy order, pending sell orders were in the range of 64.50 to 143.50 with a quantity of 1 to 1,00,000 shares @ 82.50 (Noticee No. 14), and sum of 15,70,292 shares. There was no order pending at 64.50. Noticee No. 16 had placed two sell orders at 09:49:30 for 25,000 shares each which were matched immediately with the buy orders of Noticee No. 6 and resulted into the bought shares of 50,000 shares. It is pertinent to mention that Noticee No. 6 placed the buy order for a larger quantity than of Noticee No. 16's sell order quantities, since it was also structured to give exit to Noticee No. 21 for 71,408 shares along with Noticee No. 16.

- <u>Buy order no. 2011072801185491 of Noticee No. 9:</u> Noticee No. 9 placed a buy order of 1.3 lakh shares at 11:04:57 at 65. At the time of order placement, the available pending buy orders were in the range of 45.1 to 65.05 with a quantity of 1 to 30,000 shares and sum of 4,88,072 shares. Noticee No. 16 placed order at 11:05:13 for the quantity of 25,000 @ 65. These orders were matched and resulted into trade for 24,972 shares.

- <u>Sell order no. 2011072801187355 of Noticee No. 16</u>: In order to match with the pending buy order of BGIL group entity, Noticee No. 16 had placed another sell order, within 20 seconds, for the quantity of 25,000 shares @ 65 at 11:05:13. At this point of time, Noticee No. 9's buy order for 1,01,252 shares @ 65 was pending which was immediately matched with the sell order of Noticee No. 16 and resulted into trade for 24,972 shares.

- In total, BGIL group had purchased 1,85,442 shares from Noticee No. 16 which constitutes 76% of her total sale quantity in the scrip of BGIL on the listing day.

<u>Exit given by Noticee Nos. 20 and 21 to its clients through structured trades</u>:

60. On the first day of listing, it was observed that the two brokers i.e. Noticee Nos. 20 and 21 had allegedly executed several structured trades at a pre-determined price with BGIL group entities, in order to give exit to the allottees in the IPO of BGIL. Out of these, most of the allottees had applied through these brokers for allotment of IPO shares. The *modus operandi* adopted by these brokers was that, instead of selling from the allottees' account, they initially sold the shares from their own account and subsequently, bought the shares so allotted from the allottees through their own alleged structured trades.

Structured trades by Noticee No. 20:

61. Noticee No. 20 was the collection agent (code-170628) to the collection broker SMC Global securities Limited. The investigation revealed the following:

- 151 applicants of BGIL-IPO had applied through Noticee No. 20.
- Out of these 151 applicants, the cheques of 122 applicants were mostly in series and issued by Shree Bahubali Consultants Private Ltd (SBCL) (a/c no. 00080340005207), an NBFC and one of the group companies of SBIL.
- SBCL had paid 2,40,09,600 on behalf of 122 applicants on July 18, 2011 for the IPO.
- On the same day, SBCL had received 2.4 crore from Noticee No. 20 (a/c no. 00140130000061)
- Common address and e-mail id was observed in these applications. Out of 122 applications, 108 applications have mentioned the e-mail id of Noticee No. 20.
- All the 122 applications had applied for 2400 shares amounting to 2,92,800 shares and were subsequently allotted 1494 shares each for 120 applications and 1495 shares each for two applications (adjusted for fractions). In total 1,82,270 shares were allotted to these 122 applicants.
- Out of 151 applicants, Noticee No. 20 had executed structured trades for 1,96,322 shares with 137 applicants in order to give exit to them.
- Noticee No. 20 had placed four buy orders to match sell orders of these 137 applicants (clients). Both these buy & sell orders were placed in the same terminal no.914000. Out of the four orders of Noticee No. 20, three buy orders were placed after sell orders of its clients were placed. The remaining one buy order was placed before the sell orders. The orders in detail are analyzed as below:

➢ <u>Buy order no. 19000100000202</u>: Sell orders were placed <u>before</u> the buy order. Noticee No. 20 had placed 7 sell orders for its clients (allottees) for 10,458 shares (i.e. 1,494 shares each for 7 clients) at 64.5 between 11:00:31 to 11:00:32. After placing the sell orders, Noticee No. 20 had placed its buy order for the quantity of 31,375 shares at 64.55 at 11:00:44. The said orders were matched and resulted into the trade of 10,000 shares bought by Noticee No. 20. When Noticee No. 20 placed its buy order, several sell orders were pending in the order book in the range of 61.85 to 143 with a quantity of 1 to 50,000 shares and the total pending was 8,99,092 shares. To be specific, pending sell orders available below 64.5 (i.e. below the sell orders of its seven clients starting from Radha Kishan Lahoti HUF) were for 24,837 shares. It was noted that Noticee No. 20 had placed its buy order quantity of 31,375 shares to exhaust all pending sell orders available at that time (i.e. including other pending sell orders for 24,837 shares at below 64.55) to match with its seven clients' sell orders for 10,458 shares. The following are the details:

S. N	Sell Client	Buy Client	Trade Id	Buy Order Time	Sell Order Time	Time Diff	Trade Time	Buy Order Rate	Sell Order Rate	Trade Rate	Buy Order Qty	Sell Order Qty	Traded Qty
1.	RADHA KISHAN LAHOTI HUF	SBIL	75716	11:00:44	11:00:32	00:00:13	11.00.44	64.55	64.5	64.5	31375	1494	1036
2.	PRAKASH CHAND JAIN	SBIL	75717	11:00:44	11:00:32	00:00:13	11.00.44	64.55	64.5	64.5	31375	1494	1494
3.	SURESH KUMAR JAIN	SBIL	75718	11:00:44	11:00:32	00:00:13	11.00.44	64.55	64.5	64.5	31375	1494	1494
4.	ANITA JAIN	SBIL	75719	11:00:44	11:00:32	00:00:12	11.00.44	64.55	64.5	64.5	31375	1494	1494
5.	SANTOSH DEVI JAIN	SBIL	75720	11:00:44	11:00:32	00:00:12	11.00.44	64.55	64.5	64.5	31375	1494	1494
6.	SUBHASH CHAND JAIN	SBIL	75721	11:00:44	11:00:32	00:00:12	11.00.44	64.55	64.5	64.5	31375	1494	1494
7.	RITU SARAOGI	SBIL	75722	11:00:44	11:00:32	00:00:12	11.00.44	64.55	64.5	64.5	31375	1494	1494
	Grand Total												10000

➢ <u>Buy order no. 19000100001143</u>: Sell orders were placed <u>before</u> the buy order by Noticee No. 20. It had placed 39 sell orders for its clients (allottees) for 58,267 shares (i.e. 1,494 shares each for 38 clients and 1495 shares for one client) at 33.90 between 14:57:52 and 14:57:56. After placing the sell orders, Noticee No. 20 had placed its buy order for the quantity of 59,762 shares at 143.5 at 15:10:46. The said orders were matched and resulted into the trade of 58,047 shares bought by Noticee No. 20. When it placed its buy order, sell orders were pending in the order book in the range of 32.40 to 143.5 with a quantity of 1 to 49210 and total pending of 6,96,166 shares. To be specific, pending sell orders available below 33.9 were 5,120 shares. *Modus Operandi* - It was noted that SBIL had placed its buy order quantity of 59,762 shares to exhaust all pending sell orders available at that time (i.e. including other pending sell orders for 5,120 shares at below 33.90) to match with its 39 clients' sell orders for 58,267 shares. The following are the details:

Sl. No.	Sell Client	Buy Client	Trade Id	Buy Order Time	Sell Order Time	Time Diff	Trade Time	Buy Order Rate	Sell Order	Trade Rate	Buy Order Qty	Sell Order Qty	Traded Qty
	SANTI LAL	SBIL	299618	15:10:46	14:57:52	00:12:54	15.10.47	143.50	33.9	33.9	59762	1495	1275
2.	MANOTOS	SBIL	299619	15:10:46	14:57:52	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
3.	SANJOY	SBIL	299620	15:10:46	14:57:52	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
4.	SUBHAS	SBIL	299621	15:10:46	14:57:52	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
5.	MADHUMIT	SBIL	299622	15:10:46	14:57:53	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
6.	PUTUL	SBIL	299623	15:10:46	14:57:53	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
7.	ANJALI	SBIL	299624	15:10:46	14:57:53	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
8.	DHIRENDR	SBIL	299625	15:10:46	14:57:53	00:12:54	15.10.47	143.5	33.9	33.9	59762	1494	1494
9.	MINA	SBIL	299626	15:10:46	14:57:53	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
10.	JYOTSNA	SBIL	299627	15:10:46	14:57:53	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
11.	DINOBAND	SBIL	299628	15:10:46	14:57:53	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
12.	NIBEDITA	SBIL	299629	15:10:46	14:57:53	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
13.	BASUDEB	SBIL	299630	15:10:46	14:57:53	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
14.	ALAKA	SBIL	299631	15:10:46	14:57:54	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
15.	SRICHAND	SBIL	299632	15:10:46	14:57:54	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
16.	MINU JAIN	SBIL	299633	15:10:46	14:57:54	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
17.	TARUN	SBIL	299634	15:10:46	14:57:54	00:12:53	15.10.47	143.5	33.9	33.9	59762	1494	1494
18.	PANKAJ	SBIL	299635	15:10:46	14:57:54	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
19.	DIPAK	SBIL	299636	15:10:46	14:57:54	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
20.	SHASHI	SBIL	299637	15:10:46	14:57:54	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
21.	BHANU	SBIL	299638	15:10:46	14:57:54	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
22.	AJIT	SBIL	299639	15:10:46	14:57:54	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
23.	ASHOK	SBIL	299640	15:10:46	14:57:55	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
24.	SUMER	SBIL	299641	15:10:46	14:57:55	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
25.	SURENDRA	SBIL	299642	15:10:46	14:57:55	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
26.	NIREN	SBIL	299643	15:10:46	14:57:55	00:12:52	15.10.47	143.5	33.9	33.9	59762	1494	1494
27.	DANMAL	SBIL	299644	15:10:46	14:57:55	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
28.	SOMENDR	SBIL	299645	15:10:46	14:57:55	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
29.	SUCHITA	SBIL	299646	15:10:46	14:57:55	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
30.	MAMTA	SBIL	299647	15:10:46	14:57:55	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
31.	RACHANA	SBIL	299648	15:10:46	14:57:55	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
32.	SOMENDR	SBIL	299649	15:10:46	14:57:56	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
33.	AMEETA	SBIL	299650	15:10:46	14:57:56	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
34.	BIMLA DEVI	SBIL	299651	15:10:46	14:57:56	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
35.	AJIT	SBIL	299652	15:10:46	14:57:56	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
36.	MANISHA	SBIL	299653	15:10:46	14:57:56	00:12:51	15.10.47	143.5	33.9	33.9	59762	1494	1494
37.	DANMAL	SBIL	299654	15:10:46	14:57:56	00:12:50	15.10.47	143.5	33.9	33.9	59762	1494	1494
38.	SURENDRA	SBIL	299655	15:10:46	14:57:56	00:12:50	15.10.47	143.5	33.9	33.9	59762	1494	1494
39.	SUMER	SBIL	299656	15:10:46	14:57:56	00:12:50	15.10.47	143.5	33.9	33.9	59762	1494	1494
	Grand Total												58047

- <u>Buy order no. 19000100001224</u>: Sell orders were placed <u>after</u> the buy order by the Noticee No. 20. It had placed the buy order for the quantity of 53,784 at 33 at 15:01:15. When Noticee No. 20 had placed its buy order, pending sell orders were in the range of 32.40 to 143.5 with a quantity of 1 to 49,210 and sum of 7,78,299 shares. To be specific, pending sell orders were available below 33 were for 3,887 shares.

Within a second, Noticee No. 20 had started placing sell orders for its clients from 15:01:16 to 15:01:25 for a quantity of 44,820 shares (i.e. 1494 shares each for 30 clients) at 32.90. The said orders were matched and resulted in to trade of 37,847 shares bought by Noticee No. 20. It was noted that it had placed its buy order quantity of 53,784 shares to match with its clients' ensuing sell orders for 44,820 shares (i.e. including other sell orders for 3,887 shares below 33 pending at that time).

- Buy order no. 19000100001229: Sell orders were placed before the buy order by Noticee No. 20. It had placed 61 sell orders for its clients (allottees) for 91,134 shares (i.e. 1,494 shares each for 61 clients) at 32.90 between 15:03:46 and 15:03:52. After placing the sell orders, it had placed its buy order for the quantity of 91,134 shares at 33 at 15:10:28. The said orders were matched and resulted into the trade of 90,428 shares bought by Noticee No. 20. When it had placed its buy order, sell orders were pending in the order book in the range of 32.40 to 143.5 with a quantity of 1 to 49210 and total pending of 8,08,724 shares. To be specific, pending sell orders available below 32.9 were only 50 shares. It was noted that Noticee No. 20 had placed its buy order quantity of 91,134 shares to exactly match with its 61 clients' sell orders for 91,134 shares since other pending orders were below 32.90 for 50 shares only.

- Settlement: Noticee No. 20 had made pay-in of securities by operating respective client's demat account by using power of attorney (PoA) given to the broker by the client. After the settlement process, pay-out of funds was received by Noticee No. 20 and the same was retained by it being authorization by the clients. The funds were retained till September 13/14, 2011. Later, it was noticed that the same were transferred to the respective clients' bank account on Sep 13/14, 2011. On the very same day /next day, these funds were transferred to SBCL, NBFC and in turn SBCL has transferred to Noticee No. 20.

Structured trades by Noticee No. 21:

62. It was observed during investigation that 154 applicants of BGIL-IPO had applied through Noticee No. 21 in the IPO of BGIL and 2,21,117 shares were allotted to them. Further, it was revealed that Noticee No. 21 had executed certain trades which were structured in nature for 2,02,812 shares of 124 applicants in order to give exit to the allottees. Out of these 124 applicants, 123 applicants had applied for 2,83,200 shares through Noticee No. 21 as collecting agent and they were ultimately allotted 1,76,296 shares. 113 applicants who applied 2400 shares, got 1494 shares each, 4 applicants got 1495 shares and 10 applicants who applied for 1200 shares, got 747 shares.

63. Two buy orders were placed to match with sell orders of 124 clients of Noticee No. 21. All these trades were executed with the order time difference of less than 5 seconds. All the sell orders were placed by one, Shri Rakesh Goel using the terminal user id 24567 and all the buy orders were placed by one, Shri Pradeep Agarwal using the terminal user id 11316. Both these terminal are located at the same place at New Delhi-110034.

64. The detailed analysis of Buy order no. 2011072800614057 is as under:

Sell orders were placed after the buy order by Noticee No. 21. It had placed the buy order for the quantity of 1,26,990 at 64.55 at 9:51:50. When it had placed its buy order, pending sell orders were in the range of 64.60 to 143.50 with a quantity of 1 to 1,00,000 and for a total of 12,91,077 shares. To be specific, pending sell orders were available below 64.60 for 461 shares. Immediately after placing the buy order, Noticee No. 21 had started placing the sell orders for 80 clients between 9:51:51 to 9:51:55 at 64.55 (1,17,007 shares) which were matched with above mentioned buy order and resulted into trade of 1,17,007 shares bought by Noticee No. 21. It was noted that Noticee No. 21 had placed its buy order quantity of 1,26,990 shares to match with its clients' ensuing sell orders for 1,17,007 shares (i.e. including other sell orders for 461 shares available below 64.60 pending at that time).

65. The detailed analysis of buy order no. 2011072800801265 is as under:

Sell orders were placed before the buy order by Noticee No. 21. It had placed sell orders for 44 clients between 10:11:29 to 10:11:32 at 64.60 (85,805 shares). After placing the sell orders, it had immediately placed the buy order at 10:11:32 for the quantity of 86,652 at 64.60. The said order was matched with the above mentioned sell orders and resulted into trade of 85,805 shares bought by Noticee No. 21. When Noticee No. 21 placed the buy order, pending sell orders were in the range of 64.55 to 143.50 with a quantity of 1 to 1,00,000 and total pending of 14,96,254 shares. To be specific, pending sell orders available below 64.55 were 225 shares. It was noted that Noticee No. 21 had placed its buy order quantity of 86,652 shares to exhaust all pending sell orders available at that time (i.e. including other pending sell orders for 225 shares at below 64.55) to match with its 44 clients' sell orders for 85,805 shares.

66. In view of the above observations, it was alleged that the Noticees had indulged in manipulative and fictitious trading patterns and had thereby created artificial volumes in the scrip of BGIL on the day of listing. Further, it was also alleged that the Noticees had provided exit to the allottees by entering into structured trades with them which gave misleading appearance of trading in the said scrip. Also, it was alleged that the group entities / connected BGIL group entities (Noticees) had indulged in structured trades amongst themselves which further added to misleading appearance of trading in the scrip of BGIL on the first day of listing. Further, self trades were also executed by few Noticees which in turn created artificial volumes in the scrip.

SUBMISSIONS:

67. Now, I will deal with the replies of the Noticees as under:

Noticee No. 1 and 2:

Vide letter dated May 29, 2013 Noticee Nos. 1 & 2 denied all the allegations and requested for an opportunity of inspection of documents which was duly granted to them. However, they did not avail of the said opportunity. Further, three opportunities of personal hearing were granted to Noticee Nos. 1 & 2. I note that both the Noticees failed to attend the said hearings. Also, no replies have been filed by them.

<u>Noticee No. 3</u>:

Vide letter dated June 21, 2013, Noticee No. 3 filed its reply to the SCN dated May 06, 2013. The Noticee submitted that four of its clients i.e. Noticee Nos. 5, 6, 7 & 8 have been classified as GRD Group in the SCN on the basis of having a common introducer. The Noticee denies the said connection and further submits that the control, business operations and management of these four clients are absolutely independent from Noticee No. 3 and in no way are connected to each other. Noticee No. 3 states that at present more than 75 dealers are employed in its company. The Noticee has even denied receiving any money whatsoever directly or indirectly from BGIL or any other entities for dealing in the shares of BGIL or covering of loss as alleged in the SCN. It had dealt in the scrip of BGIL on proprietary basis on the day of listing and the details of the same are as under:

NSE					BSE					Total Loss	Note
Buy TQ	**Sell TQ**	**Buy Rate**	**Sell Rate**	**Loss**	**Buy TQ**	**Sell TQ**	**Buy Rate**	**Sell Rate**	**Loss**		
118469	105869	66.38	66.22	-16939	4300	4300	64.3	44.49	-85183	-102122	12600 Delivery

The Noticee No. 3 submits that its total dealing in the scrip of BGIL on the day of listing was only 1,22,769 shares which is a very insignificant quantity vis-s-vis the total volume traded. Out of the remaining 12600 shares, 12100 shares were subsequently sold by the Noticee and the final loss was ₹ 178296. The Noticee has denied the receipt of monies by its four clients (i.e. Noticee Nos. 5, 6, 7 & 8) from two entities namely Sanjukta Vanijya Private Limited and Darshan Tradelink Private Limited. No such information is available with Noticee No. 3. The Noticee has also submitted that its clients had sufficient net worth to trade in the scrip of BGIL and therefore there was no need to compensate them for losses, if any, while dealing in the scrip.

Noticee No. 4:

- A detailed reply was submitted by Noticee No. 4 vide its letter dated July 03, 2013. The Noticee submitted that it is a stock broking company and is a member of BSE and NSE. Besides, stock broking, the Noticee is engaged in regular trading / investing in Capital Market and it trades in ordinary course. The Noticee has been in stock broking business for long time and has never defaulted in meeting its payment or delivery obligations on any occasions. The Noticee denied that it is a part of the alleged BGIL group or any Korp Group. It has traded independently in the ordinary course without acting in concert with any other entity and had no prior understanding.

- Further, Noticee submitted that it is not related, connected, associated with BGIL or its Board of Directors or top management. It is not connected, related or associated with the alleged GRD group. The Noticee states that it is not connected with Noticee Nos. 9, 10 & 11 apart from they being its clients and share only a client and broker relationship with the three Noticees. The Noticee admitted the fact that Shri Rakesh Agarwal is a common director across all these companies and that he is the brother of Shri Sushil Kumar Agarwal, its erstwhile Director. Noticee No. 4 is not privy to any of their trade details (except those executed through it) or relationship of these entities with others. The Noticee No. 4 is not aware of their financial dealing nor privy to the movement of their funds. The funds received from these entities are in the ordinary course and without any sinister objectives.

- The Noticee further submits that Noticee Nos. 9 and 10 had traded through it in the script of BGIL, in the ordinary course. The orders for such trades were placed by them. It had received funds from these entities towards the losses suffered by them on pay in and nothing sinister should be attached to it. To support this contention, Noticee No. 4 has attached a copy of the ledger and Bank statement wherein money has been received by the Noticee in ordinary course. Apart from the fund flow depicted in the diagram, it is submitted by the Noticee No. 4 that it had received additional sums from Noticee No. 11

to the tune of ₹ 20,00,000 on July 27, 2011, ₹ 5,75,000, ₹ 10,00,000 and ₹ 1,00,000 on July 28, 2011. All these payments are also reflected in the Bank Statement for the said period.

- With respect to the allegation of artificial volumes created by alleged BGIL group / related entities the Noticee No. 4 submitted that it had bought 4,53,089 shares and sold 4,53,089 shares of BGIL on BSE and NSE. The following are the details of trades on BSE and NSE:

Exchange	BSE	NSE	**Total**
Our Buy Trade	68,811	3,84,278	4,53,089
Our Sell Trade	68,811	3,84,278	4,53,089
Out Total Volume	1,37,622	7,68,556	9,06,178
Market Volume	4,07,25,468	4,75,78,807	8,83,04,275
Our Trade as a % of Market Volume	0.344%	1.61%	1.02%

- In view of the above table, Noticee No. 4 states that its trades in the scrip of BGIL are insignificant as compared to the market volume for the day. Further, the Noticee states that it has not indulged in any synchronised or structured trades with the related entities and therefore, has not violated the provisions of law. No instances have been brought on record to show that it had executed any synchronised/structured trades with Noticee No. 1. On BSE, the Noticee's trades have not matched with the alleged group entities. On NSE, it had bought 3,84,278 shares and sold 3,84,278 shares. Few of its trades has allegedly matched with Noticee No. 1 and GRD Group entities. These trades have matched in the ordinary course and not by design. The liquidity in the script of BGIL could have only come from the allottees on the listing day. For any entity, interested in buying shares of BGIL, it was natural that some of the buy trades matched with these entities, in the normal course. At no point of time during its trading, the Noticee was privy to the counterparty to its trades.

Noticee No. 5:

Vide letter dated June 25, 2013, Noticee No. 5 submitted it reply to the SCN dated May 06, 2013. The Noticee submitted that it is engaged in the business of buying, selling and trading in shares and securities. The trades carried out by it in the scrip of BGIL were in the ordinary course of business. It had traded in the scrip of BGIL on July 28, 2011 through Noticee No. 3. It bought 500500 equity shares of BGIL on BSE. It had no idea about the counterparties for the trades entered into by it. It has no knowledge of the alleged counterparties i.e. Noticee No. 1 and Korp Group. The Noticee No. 5 is no where connected with BGIL or its promoters/directors/shareholders. Further, the Noticee No. 5 denied indulging into any synchronized / structured trades with Noticee No. 1 and that it had provided exit to the allottees of IPO of BGIL. The Noticee had incurred a loss of Rs. 9914905 on its total dealing in the present scrip. With respect to the said loss, the Noticee submits that its net worth as on March 2010 was Rs. 19.31 crores, as on March 2011 was Rs. 19.32 crores and as on March 2012 it was Rs. 19.32 crores which indicates that the Noticee had the capacity to bear any kind of loss incurred by way of trading. With respect to the alleged transfer of Rs. 1.6 crores by BGIL to its account through Sanjukta Vanijya P. Ltd, it submits that the said monies were received by it towards payment for shares sold to Sanjukta Vanijya P. Ltd by the Noticee on July 28, 2011. The Noticee further states that it is not concerned with the source of funds of Sanjukta Vanijya P. Ltd and are only concerned with their money towards payment for the trades. The trade volume of the Noticee to that of the total traded quantity on BSE is only 1.2% which is very insignificant as stated by the Noticee. Therefore, the Noticee reiterates that its trades were carried out in the ordinary course of business and were not *malafide* in nature and were not fraudulent.

Noticee No. 6:

The Noticee replied to the SCN vide its letter dated November 11, 2013 and denied the allegation made against it in the SCN. The Noticee stated that it is in no way connected to the alleged GRD group except the fact the Noticee No. 3 is its broker. The Noticee had received monies from Sanjukta Vanijya P. Ltd (₹ 0.25 crores), Darshan Tradelinks P. Ltd (₹ 0.85 crores) and Swadha Vinimay P. Ltd (₹ 1.245 crores) and the same was towards share application money. The source of the said money was not known. The financial strength of the Noticee No. 6 was good enough to absorb the losses incurred while trading in the scrip of BGIL. The net worth of the Noticee was ₹ 10.63 crores as on March 2012. Therefore, the Noticee reiterates that its trades were carried out in the ordinary course of business and were not *malafide* in nature and were not fraudulent.

Noticee No. 7:

The Noticee replied to the SCN vide its letter dated June 26, 2013 and denied the allegation made against it in the SCN. The Noticee denies having any group formed with other entities and states that it has traded in the scrip of BGIL in the ordinary course of business. It had received Rs. 0.80 crores from Darshan Tradelink P. Ltd towards Share Application Money and Rs. 0.50 crores from Swadha Vinimay P.Ltd towards sale of shares and copy of the bill is enclosed with the reply. Loss of Rs. 9564000 was incurred by the Noticee while trading in the scrip of BGIL and not Rs. 25420211 as mentioned in the SCN. The net worth of the Noticee was Rs. 97.81 crores as on March 2012 which was good enough to bear the losses sustained. The Noticee further states that as it had not formed any group with other entities while trading in the scrip of BGIL, the allegation of synchronized trades and structured trades falls. The trades in the scrip were carried out on NSE at the prevailing market rates and the counter parties to the said trades were unknown. The trades were carried out with the intention of change of beneficial ownership. Therefore, the trades cannot be treated as fraudulent and manipulative and with an intention of creating artificial volumes in the scrip of BGIL.

Noticee No. 8:

Vide letter dated July 05, 2013, Noticee No. 8 filed its reply to the SCN. The Noticee denied the allegation made against it in the SCN and stated that it is not connected to Noticee Nos. 5, 6 and 7 and does not form a part of the GRD Group. The management and operation of Noticee No. 8 are independent and are separate from that of Noticee Nos. 5, 6 and 7. The Noticee submits that it is alleged in the SCN that it had incurred a loss of Rs. 17674899 while trading in the scrip of BGIL on the listing day and BGIL had compensated for the said loss to the tune of ₹ 10 lakhs. The said allegation is denied by the Noticee and it states that the actual loss incurred by it while trading in the scrip was Rs. 12326937 and was absorbed by the Noticee itself. The Noticee had a networth of Rs. 928.57 lakhs for the financial year ended on March 2012. The sum of Rs. 10,00,000 was received by Noticee No. 8 from Darshan Tradelink P.Ltd towards share application money and was taken in the ordinary course of business. The trades in the scrip were carried out at prevailing market rates and the counter parties to the said trades were unknown. Therefore, the trades cannot be treated as fraudulent and manipulative and with an intention of creating artificial volumes in the scrip of BGIL.

Noticee No. 9:

- Vide letter dated September 15, 2013, the Noticee No. 9 submitted its reply to the SCN. The Noticee submitted that it is a NBFC engaged in the Non-banking financial services besides regular trading / investing in the capital market. It trades through various broker like Noticee No. 4, JM Financial Services Ltd and India Infoline Ltd. Trading in shares and securities is its major source of income. All the transactions, both in the past and present, were executed by the Noticee in the ordinary course of business.
- The Noticee acknowledges that it had bought 226907 shares and sold 226907 shares of BGIL on NSE. The said trading in the scrip was done with an objective of making intra-day gains from jobbing activity. The Noticee further submits that it does not form a part of any group and trades independently without any collusion with others. It states that it has not received any funds from BGIL and the amount of Rs. 0.89 crores was received by the Noticee from Noticee No. 11 towards repayment of advance given to it. Further, the losses incurred while trading in the scrip of BGIL have been absorbed by it and have been taken care of from its own funds. None of its trades have matched with Noticee No. 1 or any of the top 10 allottees.
- The Noticee submits that Noticee Nos. 10 and 11 had a common director i.e. Shri Rajesh Kumar who was also a director of Noticee No. 10. However, the owners/ shareholders of Noticee Nos. 10 and 11 are different from that of Noticee No. 10. Further, it is mentioned that the said director resigned from the services of the three companies from June 29, 2012.
- The details of trading of Noticee No. 10 as submitted by it are as under:

Exchange	BSE	NSE	Total
Buy Trade	NIL	226907	226907
Sell Trade	NIL	226907	226907
Market Volume	40725468	47578807	88304275
One side trade as a % of market Volume	NIL	0.47%	0.25%

The Noticee states that it is apparent that its trading in the scrip of BGIL on the day of listing was very insignificant and just 0.25% of the market volume which cannot be alleged to have created artificial volumes in the scrip.

- With respect to the allegation of matching of trades, the Noticee submitted that the trades which got matched with the alleged counter party is 26982 on the buy side and 1174 shares on the sell side. The alleged matching of trades was not continuous but were isolated trades. Additionally, the quantities which got matched were very insignificant. The Noticee states that had it had prior understanding with the counter parties with an objective of creating artificial volumes, most of its orders would have matched with the impugned entities in the Investigation Report. As the counter parties to our trades were not known to the Noticee and were not related, the allegation of providing exit to these allottees fails. The Noticee time and again submits that major of its trades have matched with other entities which do not form part of the SCN and only a miniscule quantity of shares traded by it have coincidently matched with the alleged entities.
- Further, the Noticee denies that it had executed any circular trades in the scrip. The alleged trading pattern does not depict any circular trading as the basic criteria of circular trading is not present.

Noticee No. 10 & 11:

- Vide letters dated August 26, 2013 and August 20, 2013, Noticee Nos. 10 and 11 submitted separate but identical replies to the SCN. The Noticees submitted that they are corporate bodies engaged in regular trading / investing in the capital market. They trade through various brokers like Noticee No. 4, Millenium Stock Broking P. Ltd, JM Financial Services Ltd, India Infoline Ltd. and Motilal Oswal Securities Ltd. Trading in shares and securities is their major source of income. All the transactions, both in the past and present, were executed by the Noticees in the ordinary course of business.

- The Noticees submitted that they have no relationship / connection / dealing / collusion / arrangement or agreement for the purpose of their share trading activity with any of the entities mentioned in the SCN viz. BGIL, Noticee No. 1, Noticee No. 2, alleged GRD, Korp & Salasar Group, Top allottees in the IPO of BGIL, etc. The Noticees only share a client broker relationship with Noticee No. 4. Apart from this, the Noticee No. 10 admitted that its present directors are also directors with Noticee No. 11.
- The Noticees denied receipt of any sums of money from BGIL and that the loss incurred by them while trading in the scrip of BGIL was compensated through its own funds. The Noticees stated that they had traded for miniscule quantity if compared to the total market volume traded on the day of listing. The Noticees time and again submitted that majority of their trades have matched with other entities which do not form part of the SCN and only a miniscule quantity of shares traded by them have coincidently matched with the alleged entities.
- Further, the Noticees denied that they had executed any circular trades in the scrip. The alleged trading pattern does not depict any circular trading as the basic criteria of circular trading are not present.
- The Noticee No. 11 submitted that it has received a sum of ₹ 52.50 lakh from BGIL towards repayment of ICD advanced by it on June 22, 2011. Apart from the said sum of money, it submits that it has not received any monies from the company. It is denied that the said monies received from BGIL was for the purpose of providing exit to the top allottees and for creation of artificial volume. The funds received by Noticee No. 11 from Skylight Distributors Pvt. Ltd and Subhshree Highrise P.Ltd was towards the Share Application money. The Noticee No. 11 states that it had no knowledge of the source of funds which were so received by it from the said entities.

- Further, Noticee Nos. 10 and 11 deny having any connection or relation with Noticee No. 1. The trades were done in the ordinary course of trading.

Noticee Nos. 12 to 15:

Vide separate letters dated May 30, 2013 the Noticees had filed their replies to the SCN. The Noticee Nos. 12, 13 & 14 submitted that they had executed sale transactions for the shares which were allotted to them in the IPO of BGIL, on July 28, 2011 through their broker Noticee No. 15. As prudent investors, they decided to sell the allotted shares in the market so as to create liquidity for making fresh application in other IPOs and also to seek better investment opportunity as it may arise in the investment horizon. The Noticees further submitted that the volumes in the scrip on the day of listing were huge and as there was a large size single buyers in the shares of BGIL, sale orders of anyone at the relevant point in time would have gotten executed with the said buy orders, in price and time priority matching mechanism of the exchange. The said matching of order had no impact and consequence in the market. That they are in no way related or connected with the BGIL company, its promoters or directors, the alleged GRD or Korp group nor are they in any way connected with Noticee No. 1. Further, the Noticees also stated that they were not related or connected with the counter party clients / brokers. The trades were carried out in the ordinary course of business and no malafide intent was present to manipulate the scrip. Further, the Noticee Nos. 12, 13 & 14 submitted that almost all the allottees in the NII category had sold their shares on the day of listing.

Further, vide additional replies dated March 06, 2014, the Noticees have reiterated the submissions made in their earlier replies.

Noticee Nos. 16 & 17:

Noticee No. 16 replied to the SCN vide her letter dated June 08, 2013. She submitted that she was allotted 1494 shares in the IPO of BGIL on July 21, 2011. That she had traded in the scrip of BGIL on the day of listing through her broker viz. Noticee No. 17. After reviewing the persistent downfall in the share value of BGIL, she had squared off her holding in BGIL on the listing day itself. Further, she states that she had also done intraday transactions in the scrip with the sole motive of minimizing her loss in the scrip. Further, Noticee No. 17 had sent her contract notes for the trades done on the day of listing in the scrip of BGIL and after reviewing her transactions she had raised objections, verbally, for certain transactions. In response to her objections, Noticee No. 17 had admitted that it was its mistake and that there was an inadvertent error/mistake on the part of the operator of Noticee No. 17 while executing the sale transactions in the scrip of BGIL. She also submits that Noticee No. 17 had compensated her for the erroneous transactions executed by it using her trading account.

Noticee No. 17 vide its reply dated May 21, 2013 submitted that out of its total 1050 shares client, 63 clients were allotted shares in the IPO of BGIL. That with respect to only 38 clients out of the total 63, the inadvertent mistake was committed by one operator who was required to execute the orders as per order instructions of such clients. For the rest of the 25 clients, transactions were carried out by other operator and all the orders were executed appropriately without any error. The Noticee No. 17 submits that it does not hold any shares of BGIL nor is it in any way connected or related with the company/ promoters/ directors, GRD Group, Korp Group. That it has not executed any trades which were structured or synchronised in nature and has not manipulated the scrip.

Noticee Nos. 18 & 19:

Vide letters dated June 17, 2013 and October 18, 2013 Noticee No. 18 submitted his reply to the SCN. Noticee No. 18 submitted that he is an investor under the category of HNIs. He was allotted 140625 shares of BGIL. He submits that he is not connected or related with BGIL/ promoters/ directors. He is a regular traded and trades through Noticee No. 19, a sub-broker of BSE and NSE. Further, Noticee No. 18 states that the trades entered into by him were in no way manipulative or structured in nature. That he has delivered the entire shares which he sold on the exchange.

Noticee No. 19 vide its letter dated June 17, 2013 submitted that it is a sub-broker and had executed trades in the scrip of BGIL on the day of listing for its client Noticee No. 18. When a sale order is placed by it, neither the client nor does it know as to who will be the purchaser of the said order. Even after the trade is executed, there is no knowledge either to the client or the broker, so as to ascertain who has purchased the shares. Further, it is not connected in any manner with the BGIL group entities or BGIL as a company or its promoters and director. Therefore, Noticee No. 19 denies the allegation of manipulation in the scrip. The Noticee states that Noticee No. 18 is a regular client dealing through Noticee No. 19 and his turnover runs into several crores. At no point has the Noticee No. 18 defaulted either in the pay-in or pay-out obligations.

<u>Noticee No. 20</u>:

Vide letters dated June 27, 2013 and October 19, 2013 submitted its replies in the matter.

- The Noticee submitted that it is a registered intermediary of SEBI with BSE, NSE and MCX. On an average it's daily turnover in 'pro account' is Rs. 1900 crores appx, total turnover is Rs. 471434 crores appx and it carries out appx 1090 trades on a daily basis. The Noticee states that on July 28, 2011 it had bought 284916 shares and sold 271439 shares of BGIL. All the said shares were bought and sold in the ordinary course of business dehors of any sinister intent or design. On the same day, it had also bought and sold shares of around 30 scrips in its proprietary account. The Noticee further submits that out of the clients who traded through it, 157 clients were clients who were allotted shares in the IPO of BGIL and 82 other clients had also traded in the scrip who were not allotted any shares in the IPO.
- Noticee No. 20 submits that it is not related or connected with any of the alleged BGIL group, GRD group or Korp group and that the funds transferred by BGIL on the trading day is not its concern. The Noticee denies the execution of structured trades by it in order to obtain exit for allottees. It is denied by the Noticee that it had given exit to 137 of its

clients for 1,96,322 shares. The transaction executed were all delivery based and were not manipulative. Merely because the shares were allotted to the clients through Noticee No. 20 does not mean that adverse inference can be drawn against it. Its limited role, so far as allotment is concerned, is that of a collection agent wherein it acts for the broker SMC Global Securities Limited. In the capacity of a collection agent, it had collected application forms of various clients in the IPO of BGIL. Further, post the allotment, the decision to trade and mode and manner of trading was entirely that of clients and the Noticee as a broker had no role to play.

- With respect to the allegation of shares bought from the allottees through structured trades, the Noticee submits that the said allottees had approached the Noticee for selling the shares in view of the price fall. Since, the Noticee already had a short position in the said shares, it bought the shares from the allottee clients on the system. The said trades were in the nature of cross deals wherein the Noticee's clients were selling and Noticee was buying the shares at the then prevailing market price. The decision to sell the shares or the time to sell or the price at which to sell was not controlled by the Noticee and therefore, the clients were only concerned with the sale of their shares which was entirely their decision. It the clients had decided to sell, it did not matter to them who the counter party buyer was i.e. whether the shares are being bought by the Noticee or any other buyer in the market. The Noticee further states that the identity of seller was irrelevant to it till the time it was getting the shares at the prevailing market price. Noticee further submits that merely because as a result of covering of its short position it made profits, an adverse inference should not be drawn.

- It was further submitted that Shree Bahubali Consultants Private Limited (SBCL) is not a group company. SBCL is a totally independent company. There is no cross shareholding or common promoters/directors between the Noticee & SBCL. SBCL as an NBFC provides finance to allottees for making applications in IPO. As per SBCL, they had , at the relevant time, done IPO financing on the request of the allottee clients and it was in this context they had issued cheques for an amount of ₹240,09,600/- towards the financing to the allottee clients.

- In so far as payment of ₹2.4 cr by the Noticee to SBCL is concerned, the Noticee submits that from time to time it has been raising loans from SBCL on interest in the ordinary course of business and subsequently, repaying them. As on July 18, 2013, the Noticee had repaid an amount of ₹3.11 cr (₹ 2.4 cr + ₹0.41 cr + ₹0.30Cr) to SBCL and not an amount of ₹2.4 cr alone as alleged. Subsequently, on July 19, 2011, the Noticee had again raised a loan of ₹2.5 cr from SBCL.

Noticee No. 21:

Vide letter dated May 30, 2013 the Noticee submitted that it is a member of both BSE and NSE and Depositary Participant with NSDL. For more than 12 years the Noticee has acted as a stock broker and has not been subject to any disciplinary action by SEBI. The Noticee trades both, on behalf of its constituents as per their instructions and in its proprietary account.

- The Noticee submits that it had traded in the scrip of BGIL on the day of listing on behalf of its clients and in its proprietary account. It was not and could not have been in the knowledge of the counter parties to the trades executed by it in view of the anonymity of the trading system and therefore, it is mere coincidence that the buy orders have matched with the sell orders of its clients. The Noticee also submits that it is not connected with BGIL group entities i.e. GRD Group, Korp Group, Salsasar Group, Noticee No. 1 or any other entity in any manner, neither has it received / paid any proceeds from / to these entities nor has it dealt with these entities in the securities market. Therefore, the question of synchronising or structuring trades with them does not arise.
- The Noticee had bought 234155 shares in its own account at an average price of Rs. 64.54/- and sold the same quantity at an average price of Rs. 64.60/-. The Noticee states that the matching of some part of the order is mere coincidence. The Noticee has further explained in detail how its orders which were placed in the scrip on the day of listing

were matched with other unknown entities and that the orders did not in entirety match with the alleged counter parties.

68. I have carefully gone through the investigation report, the SCNs issued to the Noticees along with the annexures, the submissions made by all the Noticees and the material and documents as available on record. From the foregoing, I find that the Noticees had traded in the scrip of BGIL and from the analysis of their trading patterns, as explained in the pre paras, it is evident that the Noticees had indulged in manipulative and fraudulent trade practices while dealing in the scrip. The trading pattern followed by Noticees clearly indicates that they had acted in collision and there was meeting of minds. Without there being prior meeting of minds, it is not possible to execute such trades and the matching of trades cannot be treated as a mere coincidence. The Noticee No. 1 along with GRD group Noticees and Korp Group Noticees did indulge in structured / synchronized / circular trades so as to create artificial volumes in the scrip and gave exit to the allottees of IPO of BGIL i.e. Noticee Nos. 12 to 14, 16 & 18 along with other allottees at a pre-determined price by misusing the stock exchange trading mechanism. I find that the said trading was also instrumental in giving misleading appearance of trading in the scrip of BGIL. Further, I also find that Noticee Nos. 1 and 2 had executed self trades and the same is well established by the manner in which the trades were executed by them which is evident from the material available on record.

69. I find that BGIL had transferred the IPO proceeds to certain entities viz. Sanjukta Vanijya Private Ltd, Darshan tradelink Private Limited, Abhilasha Exports Pvt Ltd, Skylight Distributors Private Limited, and Subhshree Hirise Pvt Limited as investments. Vide order dated December 28, 2011, SEBI had directed the company BGIL to bring back the amounts invested in Inter-Corporate Deposits (ICDs) and all amounts transferred / paid out of IPO proceeds to its directors or relatives of its directors or HUFs belonging to any of its directors or associate or subsidiaries or group companies and deposit the same in an escrow account together with all other IPO proceeds that were still lying unutilized with the company across all its bank / deposit accounts or in any investments including in mutual funds. However, it is noted that the said amounts are still not received by the company.

70. With this background, I find that Noticee Nos. 3 to 11 had incurred losses while trading in the scrip and giving exit to the allottees i.e. Noticee Nos. 12, 13, 14, 16, 18 along with other allottees who were given exit by Noticee Nos. 20 and 21. Further, the said Noticees who had incurred losses had received monies from the same connected related entities i.e. Sanjukta Vanijya Private Ltd, Darshan tradelink Private Limited, Abhilasha Exports Pvt Ltd, Skylight Distributors Private Limited, and Subhshree Hirise Pvt Limited whom BGIL had transferred funds from the IPO proceeds. The fact that the said investments have still not been received by BGIL clearly establishes that the losses so incurred by Noticee Nos. 3 to 11 were actually made good by the company itself. The fund flow explained above also clearly shows that funds were transferred by these connected entities to the Noticees. The submissions made by the Noticees are not convincing and the same are untenable in asmuchas the same militate against the data and evidence available on record.

71. Keeping in view the aforesaid observations and findings, I find that the violations stand established against the Noticees and the same are summarized hereunder:

(i) That the Noticee Nos. 1 and 2 had indulged in self / structured trades while trading in the scrip of BGIL and thereby created artificial volumes and misleading appearance of trading in the scrip.

(ii) That the Noticee Nos. 3 to 11 were funded by the Company to execute structured & synchronised trades in the scrip of BGIL. Further, the Noticee Nos. 1, 3 to 21 had indulged in structured / synchronised trades with each other while trading in the scrip of BGIL and thereby created artificial volumes and misleading appearance of trading in the scrip. Noticee Nos. 1, 3 to 11 by executing structured trades with Noticee nos. 12, 13, 14 and 18 gave exit to them.

(iii) That BGIL group entities also had entered into structured / synchronised trades with Noticee Nos. 16 & 18 and thereby created artificial volumes and misleading appearance of trading in the scrip.

(iv) That Noticee Nos. 3, 4, 15, 17, 19, 20 and 21 have aided and abetted its clients including Noticee Nos. 12, 13, 14, 16 and 18 along with others in the execution of structured trades which created artificial volumes and misleading appearance of trading in the scrip.

(v) That Noticee Nos. 20 and 21 have traded in a fraudulent manner so as to give exit to various allottees and thereby created artificial volumes and misleading appearance of trading in the scrip.

68. Therefore, I conclude as under:

(a) That Noticee Nos. 1 to 11, 20 and 21 have violated Section 12A(a), (b) and (c) of the Act and Regulation 3(a), (b), (c) & (d) and 4(1) & 4(2)(a) (e) and (g) of the PFUTP Regulations,

(b) That Noticee Nos. 12 to 19 have violated Section 12A(a), (b) and (c) of the Act and Regulation 3(a), (b), (c) & (d) and 4(1) & 4(2)(a) of the PFUTP Regulations,

(c) That Noticee Nos. 3, 4, 15, 17, 20 & 21 have violated Regulation 7 of the Broker Regulations read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations,

(d) That Noticee No. 19 has violated Regulation 15 of the Broker Regulations read with Clause A of the Code of Conduct as specified under schedule II of the said Regulations, and

(e) That Noticee No. 17 has violated SEBI Circular No. SEBI/MRD/SE/Cir-33/2003/27 dated August 27, 2003 & SEBI Circular No. MRD/DoP/SE/Cir-11/2008 dated April 17, 2008.

69. The above violations attract monetary penalties under Section 15HA and Section 15HB of the SEBI Act which reads as under:

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

Penalty for contravention where no separate penalty has been provided.

15HB. *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board there under for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.*

70. While imposing monetary penalty, it is obligatory to consider the factors stipulated in Section 15J of the SEBI Act which reads as under:

15J** - **Factors to be taken into account by the adjudicating officer

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

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

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

(c) the repetitive nature of the default.

71. Here, it is pertinent to mention that Noticee No. 1 had made an illegal profit of ₹ 1,95,13,333 while trading in the shares of BGIL in manipulative and fraudulent manner on the day of listing of the IPO. Further, the GRD Group and Korp Group i.e. Noticee Nos. 3 to 11 had received a total sum of ₹ 10.24 crores from BGIL from the IPO proceeds to trade in the scrip on the listing day in fictitious / manipulative manner. These funds received by Noticee Nos. 3 to 11 are nothing but losses to investors / shareholders and illegal gains to the Noticee Nos. 3 to 11. Therefore, the said amount can be treated as unlawful gains of the said Noticees. Further, the manipulative trading done by Noticee No. 20 ultimately resulted in unlawful gains of ₹ 59,47,304. Further, I also find that the price of the scrip fell during the trading hours on the day of listing and therefore, the Noticee Nos. 2, 12, 13, 14, 16 and 18 incurred losses while trading in the scrip. However, the said Noticees would have incurred much more losses if they had not got an opportunity to exit in the market. The Noticees were able to exit and incur lesser losses only because of the manipulative trading. The manipulative practices adopted by the Noticees are very serious in nature ,hence, such cases attract & deserve considerable penalties.

ORDER

72. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section15 I of the SEBI Act and Rule 5 of the Adjudication Rules, I hereby impose monetary penalties as under:

Sr. No.	**Name of the Noticee**	**Penal Provision (i.e. Sections under SEBI Act)**	**Amount of Penalty (₹)**
1.	Shri V. P. Patel	15HA	6 crores
2.	Shri Vanraj Singh Kahor	15HA	50 lakhs
3.	GRD Securities Private Limited	15HA & 15HB	3 crores
4.	Korp Securities Limited	15HA & 15HB	5 crores
5.	Swift Tie-up Private Limited	15HA	3 crores
6.	Marutinandan Infosolutions Private Limited	15HA	6 crores
7.	Jalan Cement Works Limited	15HA	3 crores
8.	Orbit Financial Consultants Private Limited	15HA	50 lakhs
9.	Wheelers Developers Private Limited	15HA	2 crores

10.	Divya Drishti Merchants Private Limited	15HA	2 crores
11.	Divya Drishti Traders Private Limited	15HA	2 crores
12.	Anoop Jain HUF	15HA	50 lakhs
13.	Shri Anoop Vimal Jain	15HA	50 lakhs
14.	Ritu Jain	15HA	50 lakhs
15.	Vimgi Investments Private Limited	15HA & 15HB	1 crore
16.	Shikha Somani	15HA	50 lakhs
17.	Prem Somani Share Brokers Private Limited	15HA & 15HB	1 crore
18.	Nimit Jayendra Shah	15HA	50 lakhs
19.	Shaswat Stock Brokers P.Ltd	15HA & 15HB	1 crore
20.	Shree Bahubali International Limited	15HA & 15HB	2 crores
21.	PELF Finstock Limited	15HA & 15HB	2 crores
	TOTAL		42.50 crores

Accordingly, a total penalty of ₹ 42.50 crores (Rupees Forty Two Crores and Fifty Lakhs Only) is imposed on all the Noticees. I am of the view that the said penalties are commensurate with the violations committed by the Noticees.

73. The Noticees shall pay the said penalties by way of Demand Drafts in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, within 45 days of receipt / service of this order. The demand drafts shall be forwarded to the General Manager, Investigation Department - 6, Securities and Exchange Board of India, SEBI Bhavan, Plot No.C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai–400 051.

74. Copies of this order are being sent to the Noticees and also to the SEBI, in terms of Rule 6 of the Adjudication Rules.

Date: March 25, 2014 **D. SURA REDDY**

Place: Mumbai **ADJUDICATING OFFICER**