



GENERAL MANAGER &
DESIGNATED AUTHORITY

SEBI/HO/SM/KH/P/OW/

/1/2022/

April 11, 2022

By SPAD/digitally signed email

Tradeswift Broking Pvt Ltd

(PAN: AAECA3760A)

372-1, Shiv Shakti Nagar,

Near Abada Chandlodiya,

Ahmedabad – 382 481

Notice under Regulation 25(1) of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 in respect of Tradeswift Broking Pvt. Ltd in the matter of BFL Asset Finvest Ltd

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") appointed the undersigned as the Designated Authority ('**DA**') under Regulation 24(2) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (hereinafter referred to as "**Intermediaries Regulations 2008/ SEBI Intermediaries Regulations 2008**") , vide appointment order dated May 10, 2021(copy enclosed as **Annexure 1**) to enquire into the following alleged violations by Tradeswift Broking Pvt. Ltd. (hereinafter referred to as "**Noticee/ by name**") in respect of transactions in the scrip of BFL Asset Finvest Ltd (Formerly known as BFL Developers Ltd.) (hereinafter referred to as "**the Company/ by name/BFL-1**") :

- a) Regulations 3 (a), (b), (c), 4(1), 4 (2) (a) & (e) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") and Sections 12A (a), (b) and (c) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**');



- b) Clauses A(1), A(2), A(3) & A(5) of the Code of Conduct for Stock Brokers as specified under Schedule II under Regulation 9 of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (herein after referred to as “**Stock Broker Regulations**”).
2. Noticee is a member of BSE Limited (**‘BSE’**) and National Stock Exchange of India Limited (**‘NSE’**) having SEBI Registration No. INZ000166439, member of Metropolitan Stock Exchange of India Limited (**‘MSEI’**) having SEBI Registration No. INE261248536 as Stock Broker and a member of Central Depository Services Limited (**‘CDSL’**) having SEBI Registration No. IN-DP-CSDL-563-2010 as Depository Participant (**‘DP’**).
3. SEBI conducted an investigation in the matter of trading by certain entities in the scrip of BFL-1. Investigation period was taken as February 22, 2016 to June 01, 2017 (hereinafter referred to as the “**Investigation Period/ IP**”). BFL-1 was incorporated on August 31, 1995 as a public limited company in the state of Rajasthan (Jaipur). The shares of the Company are listed in the BSE Ltd (hereinafter referred to as “**BSE**”) with effect from February 18, 2016 (through direct listing route). Prior to this, the scrip of the company was listed in Jaipur Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.
4. The share holding pattern of the promoters of the company for the quarters ended December 2016, March 2017 and June 2017 pertaining to the investigation period as observed from the BSE website was observed as under:

Table 1

Name of the promoter	PAN of entity	Qtr ended Dec-2016		Qtr ended March-2017		Qtr ended June-2017	
		No of shares	% shares held	No of shares	% shares held	No of shares	% shares held
Mahendra Kumar Baid	AAWPB745 5N	437,100	8.56	437,100	8.56	437,10 0	8.56
Sobhag Devi Baid	AAYPB1169 M	155,900	3.05	155,900	3.05	155,900	3.05
Aman Baid	APVPB4547 D	150,000	2.94	150,000	2.94	150,000	2.94
Aditya Baid	APVPB1955 K	119,200	2.34	119,200	2.34	119,200	2.34
Alpana Baid	ABMPP0711 E	71,100	1.39	71,100	1.39	71,100	1.39
Meena Baid	AAWPB745 7Q	40,200	0.79	40,200	0.79	40,200	0.79
Baid Leasing And Finance Co Ltd	AAACB6404 E	167,500	3.28	167,500	3.28	167,500	3.28



Carewell Builders Private Limited	AAACC6275 E	80,600	1.58	80,600	1.58	80,600	1.58
Ganpati Holdings Private limited	AAACG0953 H	187,600	3.68	187,600	3.68	187,600	3.68
Tradeswift Broking Private Limited	AAECA376 0A	47,500	0.93	-	-	-	-
Total		1,456,700	28.54			1,409,200	27.61

5. During investigation, the price movement and volume traded in the scrip of BFL-1 during investigation period, in pre-investigation period and also in post investigation period in BSE was observed as below:

- Pre-Investigation period: 18/02/2016 to 21/02/2016*
- Investigation period: 22/02/2016 to 01/06/2017
- Post-Investigation period: 02/06/2017 to 31/07/2017

Table 2

Period	Date	Price/ Date & Vol	Opening price/ volume on 1 st trade day of the period	Closing price/ vol on last trade day of the period	Low price/ vol during the period	High price/ vol during the period	Avg. no. of shares traded daily during the period	Total traded quantity
Pre- investigation period	February 18, 2016 to February 21, 2016*	Price	-	-	-	-	-	-
		Date	-	-	-	-		
		Vol	-	-	-	-		
Investigation period	February 22, 2016 to June 01, 2017	Price	Rs.12.50	Rs.69.00	Rs.21.50	Rs.12.50	551.18	93701
		Date	22/02/16	01/06/17	08/12/16	22/02/16		
		Vol	101	50	1	101		
Post Investigation period	June 02, 2017 to July 31, 2017	Price	Rs.68.00	Rs.68.00	Rs.68.00	Rs.68.20	192.5	770
		Date	02.06.17	26.07.17	02.06.17	06.06.17		
		Vol	50	100	50	320		

*Date of listing in BSE is 18.02.2016 & no trades were executed on the date of listing and subsequent dates till 21.2.2016 for want of counter party sell transaction and price movement commenced thereafter which is considered for investigation. Therefore, no pre-investigation data would be available.

6. During the investigation period, it was observed that the price of the scrip of BFL-1 opened at Rs.12.50 and rose to Rs.69 (i.e. price increased by 452%) with an average traded volume of 551.18 shares and total traded volume of 93701 shares. Highest traded volume of 3020 shares was observed on April 28, 2017 and May 02, 2017.

7. The details of top 10 brokers who contributed highest to buy and sell volume on BSE are as under:



Table 3

Member Name	Traded Qty	%Tq	Cp Member Name	Traded Qty	%Tq
Tradeswift Broking Pvt.Ltd.	14114	15.06%	Tradeswift Broking Pvt.Ltd.	16617	17.73%
Hindustan Tradecom Pvt.Ltd.	9984	10.66%	Hindustan Tradecom Pvt.Ltd.	9456	10.09%
Nnm Securities Pvt.Ltd.	7746	8.27%	Nnm Securities Pvt.Ltd.	7746	8.27%
Tradebulls Securities Pvt.Ltd.	7567	8.08%	Tradebulls Securities Pvt.Ltd.	7567	8.08%
Swastika Investmart Ltd.	7151	7.63%	Swastika Investmart Ltd.	7151	7.63%
Shree Bahubali International Ltd.	6770	7.23%	Shree Bahubali International Ltd.	6740	7.19%
R.K.Stock Holding Pvt.Ltd.	5751	6.14%	R.K.Stock Holding Pvt.Ltd.	5751	6.14%
Amrapali Aadya Trading & Investments Pvt. Ltd.	5420	5.78%	Amrapali Aadya Trading & Investments Pvt. Ltd.	5420	5.78%
Berkeley Securities Ltd.	5076	5.42%	Berkeley Securities Ltd.	5076	5.42%
Marfatia Stock Broking Pvt.Ltd.	5057	5.40%	Marfatia Stock Broking Pvt.Ltd.	5057	5.40%
Total	74636	79.65%	Total	76581	81.73%
Market Total	93701	100.00%	Market Total	93701	100.00%

8. It was observed from the above table that top 10 trading members have acted as both buyer and seller brokers. The entire 100% trades were carried out by these 10 brokers and Tradeswift Broking Pvt Ltd (Noticee), one of the promoter group entities of the company, was the top sell broker with 17.73% contribution to market volume and top buy broker contributing 15.06% to the market volume.

9. The top 10 buy and sell client concentration on the BSE during the IP is as under:

Table 4

Client name	Traded Qty	%Tq	Clientname	Traded Qty	%Tq
Pradeep Kumar Jain	14009	14.95%	Pradeep Kumar Jain	13220	14.11%
Dharmendra Kumar Jain	9984	10.66%	Dharmendra Kumar Jain	9456	10.09%
Dhirajbhai Baladevji Thakor	7746	8.27%	Dhirajbhai Baladevji Thakor	7746	8.27%
Bharti Sharma	7567	8.08%	Bharti Sharma	7567	8.08%
Bhagavatiben Vishnubhai Patel	7151	7.63%	Bhagavatiben Vishnubhai Patel	7151	7.63%
Kavita Jain	6770	7.23%	Kavita Jain	6740	7.19%
Ramanlal Ravchand Shah	5751	6.14%	Ramanlal Ravchand Shah	5751	6.14%
Dharmendra Jain Huf	5220	5.57%	Dharmendra Jain Huf	5220	5.57%
Pinesh Nareshkumar Shah	5057	5.40%	Pinesh Nareshkumar Shah	5057	5.40%
Vinod Solanki	4876	5.20%	Vinod Solanki	4876	5.20%
Total	74131	79.11%	Total	72784	77.68%
Market Total	93701	100.00%	Market Total	93701	100.00%

10. It was observed from the above table that the entity, Pradeep Kumar Jain, was the top buyer contributing 14.95% to the total market volume. It was also observed that he was also the top seller contributing 14.11% to the market volume. Further, it was also seen that the net position of seven out of 10 clients traded was Nil during the investigation period.



11. During the investigation, trading pattern, order log details, Unique Client Code (UCC) details, Know Your Client (KYC) details, Ministry of Corporate Affairs (MCA) portal, bank statements and off market transactions were analysed and accordingly, the following entities were identified as connected entities whose connections amongst themselves and with the promoters or promoter group was established as under:

Table 5

Sl.No	Name of the entity	PAN	Connection amongst entities	Basis of Connection
1	Nishant Jain	ADBPJ0618B	Connected to entities at Sl.No.2,3 and 10.	i. Familial relationship as son to entity at Sl.No 2 sharing common address common residential addresses namely, 403, Sufal Apt, S.J.S. Highway, Banipark, Jaipur, Rajasthan 302016 and C-504, Mahima Iris-1 3A Swage Farm, New Sanganer road, Jaipur, Rajasthan 302019, common mobile number 9829156005 and common email ID nishant@tradeswift.net and nishantxyzxyz@gmail.com . ii. Promoter of entity at Sl.No 3 which was a promoter of BFL as on quarter ended December 2016. iii. Shares common email ID sandeep@tradeswift.net with entity at Sl.No 9 iv. Over 1% shareholder under public category in Entity at Sl.No 10. v. Connected to entity at sl.no 3 & 9 by virtue of being one of the two designated directors of sl.no 3 along with entity at sl.no 9.
2	Nirmala Jain	AFTPJ8332E	Connected to entity at sl.no.1	i. Mother of entity at Sl.No 1 and shares common addresses 403, Sufal Apt, S.J.S. Highway, Banipark, Jaipur, Rajasthan 302016 and C-504, Mahima Iris-1 3A Swage Farm, New Sanganer road, Jaipur, Rajasthan 302019, common mobile number 9829156005 and common email ID nishant@tradeswift.net and nishantxyzxyz@gmail.com .
3.	Tradeswift Broking Private Limited (Noticee)	AAECA3760A	Connected to entities at Sl.No.1 & 9	i. Entities at Sl.No 1 & 9 are promoters and designated directors of entity. ii. Trading member for entities at Sl.No 1,2,8 & 10. iii. Common address viz. Baid House, II Floor, 1, Tara Nagar, Ajmer Road, Jaipur 302006 with one of the promoter group entities of the company namely, Baid Leasing and Finance Co Ltd.
4	Anant Jain	BAVPJ3631C	Connected to entities at Sl.Nos.5,6 & 7	i. Familial relationship as son to entities at Sl.No 5 & 7 ii. Co-parcener in entity at Sl.No 6 iii. Shares common email id tradeboss72@gmail.com with entity at Sl.No 9.
5	Dharmendra Kumar Jain (Noticee 3)	ADBPJ4242K	Connected to entities at Sl.Nos.4, 6, 7	i. Familial relationship as husband and father to entities at sl.no 7 & 4 respectively. ii. Karta of entity at sl.no 6 iii. Shares common email id tradeboss72@gmail.com and broking.shares@gmail.com with entities at sl.no 9 & 8 respectively.
6	Dharmendra Jain HUF (Noticee 4)	AAGHD2552J	Connected to entities at sl.nos.4,5,&7	i. Connected to entity at Sl.No 5 who is the Karta and entities at sl.no 4 & 7 who are the coparceners.
7	Kavita Jain	ABUPJ3478L	Connected to entities at sl.no 4,5 & 6	i. Familial relationship as wife and mother to entities at sl.no 5 & 4 respectively. ii. Coparcener of entity at Sl.No 6



8	Pradeep Jain	ACAPJ1260F	connected to sl.nos. 1 and 5	i. Familial relationship as brother to entity at sl.no 9 and share common residential address at 3, CHA 18, Housing Board, Shastri Nagar, Jaipur, Rajasthan 302016. ii. Shares common email ID broking.shares@gmail.com with entity at sl.no 5.
9	Sandeep Jain	ACSPJ9399K	Connected to entities at sl.nos.3 & 8	i. Promoter and designated director of entity at sl.no 3 ii. Familial relationship as brother to entity at sl.no 8 sharing common residential address at 3, CHA 18, Housing Board, Shastri Nagar, Jaipur, Rajasthan 302016. iii. Connected to entity at sl.no 1 & 3 by virtue of being one of the two designated directors of sl.no 3 along with entity at sl.no 1.
10	Jaipur Infragold Pvt Ltd.	AACCJ8693D	Connected to entities at sl.no.1 and 3	i. Connected to entity at sl.no 1 by virtue of entity at sl.no 1 being more than 1% shareholder in the entity. ii. Traded through entity at Sl.No 3 iii. Has email ID baidfinance@hotmail.com (erstwhile email ID of the company) and shares common address viz. Baid House, II Floor, 1, Tara Nagar, Ajmer Road, Jaipur 302006 with one of the promoters of the company namely, Baid Leasing and Finance Co Ltd. iv. Received off-market credit of 60000 shares from Baid Housing Finance Private Limited, one of the companies of Baid Group on 30.03.2016.

The above mentioned 10 entities which also include Noticee at Sl No. 3 in the above table hereinafter are referred to as **“Group I entities”**.

12. SEBI analysed the quantum of trading done by Group I entities during the investigation period, the details of which are as under:

Table 6

Sl.No	Entity name	Gross Buy	Gross Sell	Gross Traded Qty.	Net Qty.	%Buytq	%Selltq
1	Pradeep Kumar Jain	14009	13220	27229	789	14.95%	14.11%
2	Dharmendra Kumar Jain	9984	9456	19440	528	10.66%	10.09%
3	Kavita Jain	6770	6740	13510	30	7.23%	7.19%
4	Dharmendra Jain Huf	5220	5220	10440	0	5.57%	5.57%
5	Anant Jain	4480	4450	8930	30	4.78%	4.75%
6	Sandeep Kumar Jain	1880	1880	3760	0	2.01%	2.01%
7	Nishant Jain	93	0	93	93	0.10%	0.00%
8	Nirmala Jain	2	0	2	2	0.00%	0.00%
9	Jaipur Infragold Private Limited	0	3397	3397	-3397	0.00%	3.63%
	Total	42438	44363	86801		45.29%	47.35%
	Market total	93701	93701	92.64%		100.00%	100.00%

13. It was observed from the above table that the Group I entities had contributed 92.64% of the total market volume with 45.29% to market buy volume and 47.35% to the market sell volume.



14. The analysis of trade log and order log (**Annexure 2**) for the entire period of investigation revealed that, during the investigation period, out of total 170 trading days on BSE, Group I entities traded on 157 trading days and bought 42438 shares and sold 44363 shares of BFL-1. The entities were also trading amongst themselves contributing to the total traded volume of 38860 shares in the scrip of BFL-1. The quantum of trades by Group I entities are as mentioned below:

Table 7

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

15. During the investigation, it was observed that during the IP, Group I entities had executed synchronized trades among themselves for a trade volume of 3807 shares of BFL-1 which was 4.06% of total market volume of the scrip. Details of synchronized trades among entities belonging to Group I are given below:

Table 8

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

16. It was also observed that the following pairs of Group I entities had indulged in synchronized trades in the scrip of BFL-1 during the investigation period as given below:

Table 9

Buyer PAN	Buyer Name	Seller PAN	Seller Name	Synchroniz ed Qty	Sum Of Ltp Diff	No. of Days	No. of trades	%Mkt vol
ABUPJ3478L	Kavita Jain	ACAPJ1260F	Pradeep Kumar Jain	300	-0.20	1	1	0.32%
ABUPJ3478L	Kavita Jain	ADBPJ4242K	Dharmendra Kumar Jain	190	0.00	1	1	0.20%
ACAPJ1260F	Pradeep Kumar Jain	AAGHD2552J	Dharmendra Jain Huf	180	0.10	2	2	0.19%
ACAPJ1260F	Pradeep Kumar Jain	ABUPJ3478L	Kavita Jain	150	0.00	1	1	0.16%
ACAPJ1260F	Pradeep Kumar Jain	ACSPJ9399K	Sandeep Kumar Jain	390	0.10	2	2	0.42%



Buyer PAN	Buyer Name	Seller PAN	Seller Name	Synchroniz ed Qty	Sum Of Ltp Diff	No. of Days	No. of trades	%Mkt vol
ACAPJ1260F	Pradeep Kumar Jain	ADBPJ4242K	Dharmendra Kumar Jain	490	0.10	5	5	0.52%
ACAPJ1260F	Pradeep Kumar Jain	BAVPJ3631C	Anant Jain	800	0.05	4	4	0.85%
ACSPJ9399K	Sandeep Kumar Jain	ACAPJ1260F	Pradeep Kumar Jain	200	0.00	1	1	0.21%
ACSPJ9399K	Sandeep Kumar Jain	ADBPJ4242K	Dharmendra Kumar Jain	184	0.00	1	1	0.20%
ADBPJ0618B	Nishant Jain	AACCCJ8693D	Jaipur Infragold Private Limited	71	14.10	56	64	0.08%
ADBPJ4242K	Dharmendra Kumar Jain	ACAPJ1260F	Pradeep Kumar Jain	300	0.05	1	1	0.32%
ADBPJ4242K	Dharmendra Kumar Jain	ACSPJ9399K	Sandeep Kumar Jain	100	0.10	1	1	0.11%
AFTPJ8332E	Nirmala Jain	AACCCJ8693D	Jaipur Infragold Private Limited	2	0.10	1	2	0.00%
BAVPJ3631C	Anant Jain	ABUPJ3478L	Kavita Jain	450	-0.10	1	1	0.48%
Total				3807	14.40	72	87	4.06%

17. The percentage of entity-wise synchronized trades is as given below:

Table 10

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

18. From the table above, it was observed that the percentage of synchronized shares of Pradeep Kumar Jain to the market volume was more than than 1%. However, it was seen that even though the synchronized trades of entities, Nishant Jain and Jaipur Infragold Private Limited contributed only 0.08% to market volume, the Last Traded Price (LTP)



contribution of these entities through such trades was Rs. 14.10 which was 92.97% of total LTP contribution of Rs. 14.40 of the group. Both these entities contributed Rs. 14.10 to LTP through 64 trades in 56 trading days and synchronized quantity was 71 shares. It was observed that both the entities traded through the same trading member, namely, Tradeswift Broking Private Limited (Noticee) and from the same terminal location and ID wherein the entities and have traded only 1-3 shares in each day of the 56 trading days. The trades of both these entities increased the price of the scrip of BFL-1 from Rs. 16.15 to Rs. 37.85 through 64 synchronized trades.

19. On the basis of the aforesaid analysis, it is alleged that Pradeep Kumar Jain, Nishant Jain and Jaipur Infragold Private Limited contributed to artificial market volumes and by indulging in trades that were in the form of synchronized trades to give a false and misleading appearance of trading in the scrip at BSE. The date-wise synchronized trades done by Pradeep Kumar Jain, Nishant Jain and Jaipur Infragold Private Limited is placed alongside as Annexure 8.
20. It was observed from the above trades that the manipulative trades have taken place through Tradeswift Broking Pvt Ltd (Noticee) which is one of the promoter group entities of the scrip company and it was also observed that such trades have been done by one of its Designated Directors and further such trades have predominantly taken place with another company connected entity viz. Jaipur Infragold Pvt Ltd.
21. Analysis of LTP was carried out to see any manipulation in price of the scrip of BFL-1 from its previously traded price have taken place. It was observed that on February 22, 2016, the first trade was executed in the scrip of BFL-1 in the Exchange by virtue of Jaipur Infragold Pvt Ltd selling 100 quantity of shares which was matched with the already existing buy order placed by an entity namely, Waseem Ahmad. The trade was executed during the pre-open session at the rate of Rs.12.50 and no trades took place thereafter on that day.
22. It was observed that during the period February 22, 2016 to January 16, 2017 (Patch 1), the price of the scrip of BFL-1 opened at Rs 12.50 and moved to high of Rs 37.85, closing at the same price. Thus, the price increased by 202.8%. The price of Rs. 12.50 was set as



equilibrium price on February 22, 2016. Since this was a price rise patch, LTP analysis was carried out on the buy side. Details of the analysis of trades carried out by Group I entities, during this patch is as follows:

Table 11

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

23. During the price rise period, it was observed that the two Group I entities, namely, Nishant Jain and Nirmala Jain, together contributed Rs.14.50 to net LTP and Rs. 29.50 to the positive LTP which was 73.11% of market positive LTP. It was seen that Nishant Jain and Nirmala Jain together contributed Rs. 14.40 and Rs. 0.10 to net LTP which is 57.20% of net market LTP.

24. On analysis of trades of the entity, Nishant Jain, it was observed that the trades carried out by Nishant Jain contributed Rs.14.40 to net LTP in 86 trades and Rs.29.35 to positive LTP in 54 positive LTP trades. On analysing the counterparties to the positive LTP trades, it was observed that in all the 54 positive LTP trades, the counterparty was Jaipur Infragold Private Limited with both entities trading 1-3 shares in each trade. The entities, through trades between themselves, contributed 72.74% to market positive LTP. It was observed that within the 54 trades which contributed to positive LTP, Nishant Jain placed buy orders first in 45 of such trades. The orders placed by both Nishant Jain and Jaipur Infragold Pvt Ltd were limit orders in nature.

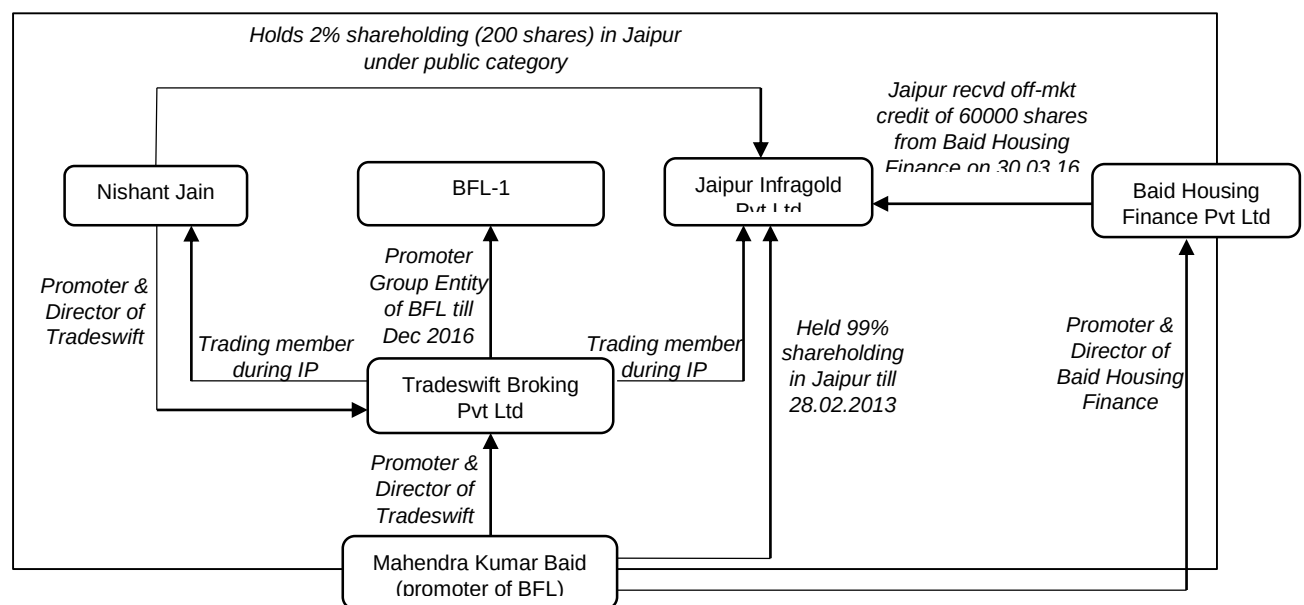
25. Order analysis showed that out of total 158 trading days, for 59 trading days, the entities, viz., Nishant Jain and Jaipur Infragold Pvt Ltd were the only entities who placed orders. Further, it was also seen that for 41 trading days, Nishant Jain was the only entity placing orders in the scrip of BFL-1. Thus, it was observed that for 100 out of 158 trading days, orders were placed in the scrip of BFL-1 either by only Nishant Jain or by both Nishant Jain and Jaipur Infragold Pvt Ltd.



26. On analysing orders placed by Jaipur Infragold Private Limited, it was observed that during the period from 22.02.2016 to 16.01.2017, there were sell orders for total 284 shares in the scrip of BFL-1 out of which orders for 271 shares were placed by Jaipur Infragold Private Limited and on all days, sell orders were placed for 1-3 shares except for first day of trading i.e. February 22, 2016 wherein sell order of 100 shares were placed and the buyer was Waseem Ahmed.
27. With regards to the trade done on February 22, 2016, it was observed that the shares of the company were listed on BSE w.e.f. February 18, 2016. On analyzing orders, it was observed that Jaipur Infragold Private Limited was the only seller in the market on February 22, 2016 during the special pre-open session and the equilibrium price in the scrip of BFL-1 was established on February 22, 2016 at Rs.12.50 for 100 shares for which the buyer was Waseem Ahmad. Hence, it was observed that Jaipur Infragold Private Limited was instrumental in establishing Equilibrium price in the scrip of BFL-1.
28. From transaction cum holding statement obtained from Central Depository Services Ltd (CDSL) vide email dated 23.09.2020, it was observed that Jaipur Infragold Private Limited held 82500 shares as on 01.01.2016. Hence, it was seen that even though Jaipur Infragold Private Limited had sufficient balance of shares available with it, irrespective of available buy order quantity in the system pending execution, it had placed only single quantity sell order every time which showed that its transactions were not genuine.
29. It was also observed that both Nishant Jain and Jaipur Infragold Private Limited had traded through the same trading member, Tradeswift Broking Private Limited (Noticee) and from the same location at 4th floor, Baid House, 1 Tara Nagar, Ajmer road, Jaipur, Rajasthan 302006 and the same terminal IDs. From email from BSE dated 16.10.2020 and 23.02.2021, it was noted that Nishant Jain was one of the designated directors of Noticee (Annexure 3). It was also seen that Mahendra Kumar Baid, promoter of BFL Asset Finvest Ltd, was a designated director of Noticee. From Director's report for FY 2015-16 and FY 2016-17 from MCA Website, it was noted that Nishant Jain and Mahendra Kumar Baid were also the promoters of Noticee (Annexure 4) and Tradeswift Broking Pvt Ltd was one of the promoter group entities of BFL-1 as on quarter ended December 2016. From the list



of shareholders from MCA Website, it was observed that Nishant Jain held 200 shares i.e. 2% shareholding under public category in Jaipur Infragold Private Limited as on 31.03.2016 till the shareholding as on 31.03.2019 (Annexure 5). From the KYC of Jaipur Infragold Private Limited obtained from Noticee viz. Tradeswift Broking Private Ltd vide email dated 08.06.2020, it was noted that Mahendra Kumar Baid, promoter of BFL-1, held 99% shareholding in Jaipur Infragold Private Ltd as on 28.02.2013 (Annexure 6). Further, Jaipur Infragold Private Limited received off-market transfer of 60000 shares of BFL-1 from Baid Housing Finance Private Limited, part of Baid Group of companies (Annexure 7). Hence, it is alleged that Jaipur Infragold Private Limited is a company-connected entity. Pictorial representation of connection among the entities is given below:



30. The trading pattern and order log analysis of these two entities namely, Nishant Jain and Jaipur Infragold Private Limited were analysed in terms of quantity of shares traded, period of trading etc. It was seen that trades of miniscule quantity were executed in a sustained manner for a considerable period wherein majority of the said period, such miniscule quantities were the only trades executed, Jaipur Infragold Pvt Ltd, despite having shareholding of 82500 shares as on 01.01.2016 chose to sell only 1-3 shares per trading day, and that too dealing with only a company connected person and thus, it is alleged that such trades were not genuine and did not serve any economic purpose and therefore, it is alleged that by executing trades of miniscule quantity in a sustained manner for a



considerable period wherein such miniscule quantities were the only trades executed for the major part of the said period, the trades of Nishant Jain and Jaipur Infragold Private Limited were executed only with a manipulative intent to maintain and sustain the price of the scrip of BFL-1. It was also observed that Nishant Jain, one of the designated directors and promoters of Noticee was the terminal user for the trades of Pradeep Kumar Jain done through Noticee for the manipulative trades executed by him.

31. During the investigation, it was observed that trades carried out by Nirmala Jain contributed Rs.0.10 to net LTP through 2 trades and Rs.0.15 to positive LTP in 1 positive LTP trade on 13.01.2017 trading only one share and the counterparty to the trade was Jaipur Infragold Pvt Ltd. Order analysis showed that Nirmala Jain and Jaipur Infragold Private Limited were the only market participants on that trading day and the order was synchronized i.e. placed within 1 minute and placed at the same rate for 1 share. It was also seen that both Nirmala Jain and Jaipur Infragold Private Limited traded through the same member, namely, Tradeswift Broking Pvt Ltd (Noticee), one of the promoter group entities of the company as on quarter ended December 2016. Further, it was observed that the orders were placed from the same terminal location viz. 4th floor, Baid House, 1, Tara Nagar, Ajmer road, Jaipur, Rajasthan 302006 for all the trades and from same terminal no 202.

32. During investigation, it was observed that entity Nirmala Jain had familial relationship with Nishant Jain by virtue of being his mother and both entities shared common residential address, at 403, Sufal Apt, S.J.S. Highway, Banipark, Jaipur, Rajasthan 302016 and C-504, Mahima Iris-1 3A Swage Farm, New Sanganer road, Jaipur, Rajasthan 302019, common mobile number 9829156005 and common email ID nishant@tradeswift.net. KYC of Nirmala Jain obtained from Noticee vide email dated 09.06.2020 is given as Annexure 9.

~~33.~~ It was observed that even though the Nirmala Jain had executed only two trades for 2 shares, there were no other trades in the market other than the said trades on 13.01.2017 and such trades had contributed to net LTP and positive LTP. It was further observed that the trades were done only with suspected entities as counter parties who had indulged in manipulative trades and further she herself was considered as a suspected entity. Based



on the above, it is alleged that the entities, Nishant Jain, Nirmala Jain and Jaipur Infragold Private Limited manipulated the price of the scrip of BFL-1 on BSE and thus indulged in an act which created a false or misleading appearance of trading in the scrip.

34. It was observed from the above analyses that the aforementioned manipulative trades had taken place through Noticee, which is one of the promoter group entities of BFL-1 and that such trades had been done by one of its Designated Directors. It was further observed that such trades had predominantly taken place with another company connected entity viz. Jaipur Infragold Pvt Ltd.

35. It was observed that during the period January 18, 2017 to April 25, 2017 (Patch 2), price of the scrip opened at Rs 37.00 and moved to high of Rs 48.5 and closing at Rs.47.05. Thus, price increased by 27.16%. Details of the analysis of trades carried out by Group I entities during this patch is as follows:

Table 12

Entity Name	All trades			LTP Diff. > 0			LTP Diff < 0			LTP Diff. = 0		% Ltp
	Ltp Rate	Traded Qty	No. Of Trades	Ltp Rate	Traded Qty	No. Of Trades	Ltp Rate	Traded Qty	No. Of Trades	Traded Qty	No. Of Trades	
Dharmendra Jain Huf	0.65	5220	37	1.85	1780	9	-1.20	630	4	2810	24	4.17%
Anant Jain	0.25	4480	39	0.65	690	4	-0.40	1050	4	2740	31	1.46%
Kavita Jain	-1.15	6770	55	1.30	1670	9	-2.45	1260	8	3840	38	2.93%
Sandeep Kumar Jain	-2.15	1880	15	0.20	580	3	-2.35	780	6	520	6	0.45%
Dharmendra Kumar Jain	-3.70	8974	77	2.00	2870	20	-5.70	2770	20	3334	37	4.50%
Pradeep Kumar Jain	-5.00	13148	135	5.40	2912	25	-10.40	2946	32	7290	78	12.16%
Total	-11.10	40472	358	11.40	10502	70	-22.50	9436	74	20534	214	25.68%
Market total	9.20	78900	1004	44.40	25072	267	-35.20	14277	135	39551	602	100.00%

36. It was observed that, the entities belonging to Group I contributed Rs.11.40 to positive LTP (i.e. 25.68% to positive LTP) in 70 positive LTP trades and as a group, contributed negative of -Rs. 11.10 to net LTP in 358 trades. Analysis of positive LTP trades of Group I entities showed that in 64 out of 70 positive LTP trades, the counterparties were group entities and through trades among themselves contributed 21.96% to market positive LTP. In remaining 6 positive LTP trades with non-group entities, they contributed 3.72% to market positive LTP.



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

Table 13

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

38. During investigation, it was noted that the trades carried out by Sandeep Kumar Jain, trading through India Infoline Ltd., contributed Rs. 0.02 to positive LTP (i.e. 0.45% to market positive LTP) through 3 trades and the entity contributed –Rs. 2.15 to net LTP through 15 trades. It is also seen that Sandeep Kumar Jain along with Dharmendra Kumar Jain indulged in reversal trade on 13.02.2017 and contributed 0.23% to the market volume.

39. Connection of Sandeep Kumar Jain with other suspected entities/ promoters or directors of the company is already given in the preceding paragraphs and the KYC of Sandeep Kumar Jain obtained vide email dated 05.06.2020 is given as Annexure 10. From transaction cum holding statement provided by CDSL vide email dated 23.09.2020, it was observed that the entity had no shareholding in the scrip of BFL-1 prior to the trades in during the period January 18, 2017 to April 25, 2017 (Patch 2).

40. On analysing the entire trades done by Sandeep Kumar Jain during patch 2, it was observed that the entity purchased a total of 1880 shares in 15 trades and sold 1880 shares as seller in 20 trades i.e. the net position of the entity was 0. As a buyer, the counterparties to Sandeep Kumar Jain were observed to be 4 suspected entities namely, Dharmendra Kumar Jain, Jaipur Infragold Pvt Ltd, Pradeep Kumar Jain, Kavita Jain and 2 non-suspected entities namely, Sogath Mukhiya and Thar Commodities Pvt Ltd. As seller, the counterparties of Sandeep Kumar Jain were observed to be 4 suspected entities namely, Pradeep Kumar Jain, Dharmendra Kumar Jain, Kavita Jain and Anant Jain. The entity made a total profit of Rs. 1609.50/- during patch 2. As a buyer, the entity placed buy orders first in 14 out of 15 trades and as seller, the entity placed sell orders before buy



order for 8 out of 20 trades. Trades of entity as buyer and seller are summarized in brief as given below:

Table 14

As buyer									
Total No of trading days	Total No of trades	No of trades with suspected entities	No of trading days with only Suspected entities	No of trading days with only Non-suspected entities	No of trading days with both suspected and non-suspected entities	No shares of traded with suspected entities	No shares of traded with non-suspected entities	Positive LTP (Rs.)	Net LTP (Rs.)
10	15	13	8	1	1	1550	330	0.02	-2.15
As seller									
Total No of trading days	Total No of trades	No of trades with suspected entities	No of trading days with only Suspected entities	No of trading days with only Non-suspected entities	No of trading days with both suspected and non-suspected entities	No shares of traded with suspected entities	No shares of traded with non-suspected entities	Positive LTP (Rs.)	Net LTP (Rs.)
11	20	20	11	0	0	1880	0	0.75	0.70

41. It was observed that the trades carried out by Pradeep Kumar Jain in patch 2, trading through Tradeswift Broking Private Limited, contributed Rs. 5.4 to positive LTP (i.e. 12.16% to market positive LTP) through 25 trades. Pradeep Kumar Jain contributed –Rs. 5.00 to net LTP through 135 trades. Further, it was observed that Nishant Jain, promoter and director of Tradeswift Broking Private Limited, was the terminal user for all trades of Pradeep Kumar Jain.

42. Connection of Pradeep Kumar Jain with other suspected entities/ promoters or directors of the company is already given in preceding paragraphs. Copy of KYC of Pradeep Kumar Jain, obtained vide email dated 08.06.2020, is placed as Annexure 11. From transaction cum holding statement provided by CDSL vide email dated 23.09.2020, it was observed that Pradeep Kumar Jain had no shareholding in the scrip of BFL-1 prior to the trades in patch 2.

43. On analysing the entire trades done by Pradeep Kumar Jain during patch 2, it was observed that Pradeep Kumar Jain purchased a total of 13148 shares in 135 trades and sold 12140 shares as seller in 210 trades i.e. Pradeep Kumar Jain had a balance of 268 shares. As buyer, the counterparties to Pradeep Kumar Jain were 5 suspected entities namely, Anant Jain, Dharmendra jain HUF, Dharmendra Kumar Jain, Kavita Jain, Sandeep Kumar Jain and 7 non-suspected entities namely, Babulal Hansraj Lakhani, Jayantibhai Tribhovandas Praja, Kanta Parewa, Parvinder Azad, Santhosh Nathu



Kangode, Sogarth Mukhiya and Thar Commodities Pvt Ltd. As seller, the counterparties to Pradeep Kumar Jain were 5 suspected entities namely, Sandeep Kumar Jain, Dharmendra Kumar Jain, Kavita Jain, Anant Jain, Dharmendra Jain HUF and 19 non-suspected entities. As buyer, Pradeep Kumar Jain placed buy order before sell order for 99 out of 135 buy trades and as seller, the sell order was placed before buy order for 75 out of 210 sell trades. Trades of Pradeep Kumar Jain as buyer and seller are summarized in brief as given below:

Table 15

As buyer									
Total No of trading days	Total No of trades	No of trades with suspected entities	No of trading days with only Suspected entities	No of trading days with only Non-suspected entities	No of trading days with both suspected and non-suspected entities	No of shares traded with suspected entities	No of shares traded with non-suspected entities	Positive LTP (Rs.)	Net LTP (Rs.)
39	135	112	28	2	9	11682	1466	5.40	- 5.00
As seller									
Total No of trading days	Total No of trades	No of trades with suspected entities	No of trading days with only Suspected entities	No of trading days with only Non-suspected entities	No of trading days with both suspected and non-suspected entities	No of shares traded with suspected entities	No of shares traded with non-suspected entities	Positive LTP (Rs.)	Net LTP (Rs.)
45	210	127	36	9	22	9880	2260	2.15	8.90

44. From the above table, it was observed that trades of Pradeep Kumar Jain were done only with Group I for 112 out of 135 buy trades and for 127 out of 210 sell trades.

45. It was observed that Jaipur Infragold Pvt Ltd had been trading through Tradeswift Broking Pvt Ltd (Noticee), sold total of 3180 shares through 27 trades in 3 trading days, out of which 2050 shares i.e. 70.13% of its shares were sold through 16 trades to Sandeep Kumar Jain, Dharmendra Kumar Jain, Kavita Jain and Anant Jain, who are part of group of entities belonging to Group I. Remaining 1130 shares were sold through 11 trades to 3 non-suspected entities namely, Kanta Parewa, Thar Commodities Private Ltd and Vijay Lata Bhandari.

46. Details of New High Price (NHP) analysis of trades carried out by entities belonging to Group I as buyers, with positive impact on LTP, during the patch is given below:



Table 16

Entity name	Quantity	Number Of Trades	Contribution To Market Nhp	% Of Market Nhp	Contribution Among Group	Contribution To Nhp In Buy Order First Trades With Non-Group Entities
Pradeep Kumar Jain	570	6	1.70	14.72%	1.10	0.60
Dharmendra Jain Huf	200	2	0.90	7.79%	0.90	0
Anant Jain	100	1	0.40	3.46%	0.40	0
Kavita Jain	50	1	0.40	3.46%	0.40	0
Dharmendra Kumar Jain	320	3	0.20	1.73%	0.20	0
Sandeep Kumar Jain	180	1	0.10	0.87%	0.10	0
Total	1420	14	3.70	32.03%	3.10	0.60
Market total	2741	47	11.55	100.00%	3.10	0.60

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

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

Table 17

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

49. As regards, the first trades of Pradeep Kumar Jain, it was observed that there were 6 positive first trades which contributed to Rs. 1.85 of positive LTP. There were 5 counterparties, out of which 4 namely, Anant Jain, Dharmendra Jain HUF, Kavita Jain and Dharmendra Kumar Jain, who are part of Group I entities.



50. Details of the analysis of trades carried out by the entities belonging to Group I as buyers, with positive impact on LTP, during the period April 26, 2017 to June 01, 2017 (Patch 3) is as follows:

Table 18

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

51. It was observed that, during the price rise, two of the entities belonging to Group I, Dharmendra Kumar Jain and Pradeep Kumar Jain contributed Rs. 6.15 to net LTP and Rs.12.40 to the positive LTP which is 37.58% of market positive LTP as a group.

52. It was observed that during the period April 26, 2017 to June 01, 2017 (Patch 3), trades carried out by Pradeep Kumar Jain contributed Rs. 7.85 to positive LTP (i.e. 23.79% to market positive LTP) through 5 trades. He contributed Rs. 2.40 to net LTP (i.e. 10.93% to net LTP) through 17 trades. On analysing the entire trades done by Pradeep Kumar Jain during patch 3, it was observed that the entity purchased a total of 861 shares in 17 trades and sold 1080 shares as seller in 18 trades i.e. he had a balance of 260 shares. As buyer, Pradeep Kumar Jain bought 500 shares from Dharmendra Kumar Jain through 7 trades which contributed to LTP of Rs.2.10. Remaining 361 shares were purchased from 4 non-suspected entities Thar Commodities Pvt Ltd, Saianad, Raj Kumari Hirawat and Waseem Ahmad through 10 trades. As seller, Pradeep Kumar Jain sold 870 out of 1080 shares through 5 trades to counterparty namely, Dharmendra Kumar Jain, a suspected entity. Remaining 210 shares were sold to 4 non-suspected entities namely, Purnachander Moogala, Johns Paul, Nirav Rajababu Gandhi and Thar Commodities Pvt Ltd through 13 trades. Net LTP as buyer for 17 trades was Rs. 2.40 and net LTP as seller for 18 trades was Rs. 4.80. From transaction cum holding statement provided by CDSL vide email dated 23.09.2020, it was observed that Pradeep Kumar Jain had no shareholding in the scrip of BFL-1 prior to the trades.

53. It was observed that the suspected entity viz. Pradeep Kumar Jain contributed 23.79%, to market positive LTP and contributed 10.93% respectively to net LTP. Further, Pradeep



Kumar Jain contributed 13.83% to the market NHP. Also, Pradeep Kumar Jain was involved in first trades contributing to Rs. 4.55 of positive LTP.

54. Further, it was seen that the terminal user for the trades of Pradeep Kumar Jain (Noticee 2), trading through Tradeswift Broking Pvt. Ltd., was suspected entity, Nishant Jain (Noticee 1), who was also one of the promoters and directors of Tradeswift Broking Pvt. Ltd.

55. Details of NHP analysis of trades carried out by Group I entities as buyers, with positive impact on LTP, during this patch is as follows:

Table 19

Entity name	Quantity	Number of Trades	Contribution To Market Nhp	% Of Market Nhp	Contribution Among Group	Contribution To Nhp In Buy Order First Trades With Non-Group Entities
Dharmendra Kumar Jain	380	2	4.40	18.72%	1.40	0
Pradeep Kumar Jain	20	2	3.25	13.83%	0.50	0
Total	400	4	7.65	32.55%	1.90	0.00
Market total	4539	26	23.50	100.00%	1.90	0.00

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

57. Details of the analysis of first trades carried out by the Group I entities during this patch is as follows:

Table 20

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

58. As regards the first trades of Pradeep Kumar Jain, it was observed that there were 2 positive first trades which contributed to Rs. 1.80 of positive LTP. The counterparties to the trades were Raj Kumari Hirawat and Dharmendra Kumar Jain.



59. In view of the foregoing, it is alleged that the trades done by Pradeep Kumar Jain were not genuine trades but only sham trades. It is also alleged that Pradeep Kumar Jain manipulated the scrip price on BSE and thus indulged in an act which created false or misleading appearance of trading in the scrip.

60. On the basis of the foregoing, it was observed as under:

- 40.1 During the period of investigation, Noticee, i.e., Tradeswift Broking Pvt Ltd was the first top buy broker and sell broker in terms of quantity of shares bought and sold.
- 40.2 Execution of single trades between Jaipur Infragold Pvt Ltd and Nishant Jain during the investigation period were executed by the trading member, i.e., Noticee.
- 40.3 The manipulative trades of Nishant Jain, Nirmala Jain and Jaipur Infragold Pvt Ltd in Patch 1 above were executed through Tradeswift Broking Pvt Ltd.
- 40.4 Nishant Jain, one of the designated directors and promoters of Tradeswift Broking Pvt Ltd, was the terminal user for the trades of Pradeep Kumar Jain done through Noticee for the manipulative trades executed by him.
- 40.5 BSE, vide emails dated 16.10.2020 and 23.02.2021, confirmed that Mahendra Kumar Baid, Nishant Jain and Sandeep Jain were the designated directors of the trading member, i.e., Noticee.
- 40.6 Designated directors of Noticee, who are also its promoters, were involved in executing manipulative trades. The other three suspected entities, namely Nirmala Jain, Pradeep Kumar Jain and Jaipur Infragold Pvt Ltd also traded through Noticee. Further, the aforesaid three entities were found to be connected amongst themselves and with the designated directors of Noticee.
- 40.7 It is alleged that all the single share trades executed between Nishant Jain and Jaipur Infragold Pvt Ltd for the purpose of maintaining trades in the Exchange system



immediately after listing to create a false and misleading appearance of trading to evoke the interest of the investors and lure them to trade in the scrip of BFL-1 had been done only through Tradeswift. It was observed that such trades were carried out not intermittently or occasionally but consistently for 158 trading days. It was also observed that Noticee was one of the promoter group entities of BFL-1 and was disclosed to be so till the quarter ended December 2016 on the website of BSE.

40.8 In light of the above observations, it is alleged that the inaction on the part of the Noticee from preventing entities from trading through it in a manipulative manner is tantamount to willful, deliberate action of non-exercise of care, skill and due diligence while executing the trades of its clients and it is also alleged that it had indulged in executing such manipulative trades itself.

40.9 It is therefore alleged that Noticee, by virtue of Nishant Jain, one of its Designated Directors, executing manipulative trades through its trading system has violated the provisions of Section 12A (a),(b),(c) of SEBI Act and Regulations 3(a),(b),(c),(d), 4(1) and 4(2)(a) & (e) of PFUTP Regulations and the provisions of Clauses A(1), A (2), A(3) & A(5) of the Code of Conduct for Stock Brokers as specified under Schedule II under Regulation 9 of Stock Broker Regulations by executing manipulative trades for its designated directors.

61. The aforesaid provisions are reproduced as under:

➤ **SEBI Act**

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

12A. No person shall directly or indirectly –

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



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

➤ **PFUTP Regulations:**

"Regulation 3: Prohibition of certain dealings in securities: No person shall directly or indirectly-

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

"Regulation 4": Prohibition of manipulative, fraudulent and unfair trade practices

- (1)** Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.
- (2)** Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely: —



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

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

➤ **Stock Broker Regulations:**

SCHEDULE II

Securities and Exchange Board of India (Stock Brokers)

Regulations, 1992

CODE OF CONDUCT FOR STOCK BROKER

[Regulation 9]

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.*

(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.*

25. You are, therefore, called upon to show cause as to why appropriate action should not be recommended against you as specified in Regulation 27(xiv) of Stock Broker Regulations, read with Section 12 (3) of SEBI Act for aforesaid alleged violations by you. The text of the aforesaid provisions is reproduced below:

➤ **Relevant provisions of Stock Broker Regulations:**

Regulation 27: Liability for action under the Enquiry Proceeding Regulations

(xiv) *violates Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;*



➤ **Relevant provisions of SEBI Act:**

Section 12: Registration of stock brokers, sub-brokers, share transfer agents, etc.

12 (3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations.

26. You are advised to submit your reply, if any, together with the copies of the documents that you may choose to rely upon to support your contentions, to the undersigned within 21 days of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter shall be proceeded on the basis of the material available on record. Further, you are advised to send the soft copy of your reply via e-mail at somam@sebi.gov.in and kedarh@sebi.gov.in. You are also required to submit a copy of your PAN card and your contact details (contact person, designation, phone numbers, e-mail ID and fax number) for our records.

27. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If you wish to avail the benefit of the settlement process, you may also apply for the same in the manner provided in the said regulations under intimation to the undersigned.

28. If there is any change in your address during the period of the current enquiry proceedings, you are required to intimate the same to the undersigned immediately.

SOMA MAJUMDER

DESIGNATED AUTHORITY

Enclosure: - One CD containing following Annexures

Annexure-1	Copy of appointment order dated May 12, 2021
Annexure-2	Trade Log and Order Log for IP
Annexure-3	Email From BSE Ltd Dated 16.10.2020 and 23.02.2021
Annexure-4	Director's report for FY 2015-16 and FY 2016-17 from MCA Website
Annexure-5	List of shareholders from MCA Website



Annexure-6	Email dated 08.06.2020 from Tradeswift Broking Pvt Ltd
Annexure-7	Email dated February 25, 2021 from Noticee
Annexure-8	Date-wise synchronized trades by Pradeep Kumar Jain, Nishant Jain and Jaipur Infragold Private Limited
Annexure-9	Email dated June 09, 2020 from Noticee
Annexure-10	Email dated June 05, 2020 from Sandeep Kumar Jain
Annexure-11	Email dated 08.06.2020 from Noticee regarding KYC of Pradeep Kumar Jain
Annexure-12	Email dated March 26, 2021 from Noticee