

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**ADJUDICATION ORDER NO. EAD/BJD/BKM/7-14 /2018-19**

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

In respect of:

1. Handful Investrade P Ltd (PAN: AAACH2018Q)
2. Banas Finance Ltd (PAN: AAACB2236J)
3. Ms. Sarita Chandak (PAN: ACEPL0255A)
4. Rajat Share Broking Pvt. Ltd (PAN: AAACR2695B)
5. Gurudev Investment HUF (Prop Jayesh Narendra Kesharia) (PAN: AAEHJ1610D)
6. Rahul Kumar Agarwal (PAN: AFNPA4015R)
7. Bhanwarlal Bahulal Suthar (PAN: ANVPS7451B)
8. Hetal Nilesh Gor (PAN: ALDPG9625M)
9. Anmol Finance Company (Rajesh Tukaram Dambre) (PAN: AHAPD8240L)

**In the matter of Banas Finance Limited**

**BACKGROUND**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), based on internal alert conducted an investigation into the alleged irregularity in the trading in the shares of Banas Finance Limited. (hereinafter referred to as BFL) and into the possible violation of the provisions of the Securities and Exchange Board of India Act 1992 (hereinafter referred to as the 'SEBI Act 1992') and various Rules and Regulations made there under during the period from November 03, 2010 to September 09, 2011 (hereinafter referred to as the 'IP'). The shares of BFL are listed on Bombay Stock Exchange Ltd. (BSE).

2. The investigation, inter alia, revealed that during the period of investigation, BSE Sensex declined from 20,465.74 to 16,866.97 registering a decrease of 3,598.77 points (i.e. 17.58%). During the same period, price of the scrip increased from Rs. 9.37 to high of Rs. 292.60 (hitting circuit filter limit on all trading days) registering an increase of Rs.283.23 (i.e. 3,022.73%).
3. It was further revealed that BFL allotted 99 lakhs equity shares at a price of Rs 20/- per share on preferential basis to 49 entities which included one promoter entity namely M/s. Handful Investrade P. Ltd., to which 14.50 lakhs equity shares (i.e. 14.22%) were allotted on December 30, 2010. Since M/s. Handful Investrade P. Ltd. had acquired more than 5% of share capital, it was required to make disclosure u/r 7(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('hereinafter referred to as SAST Regulations 1997) and u/r 13(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 ('PIT Regulations 1992') by January 03, 2011. It was found that M/s. Handful Investrade P. Ltd. made disclosures u/r 7(1) of Takeover Regulations and u/r 13(1) of Insider Trading Regulations to the company but did not make disclosure to the stock exchange under Regulation 7(1) of SAST Regulations, 1997. It was therefore alleged that M/s. Handful Investrade P. Ltd. (Noticee 1) violated Regulation 7(1) of SAST Regulations, 1997. BFL failed to make the disclosures received from M/s. Handful Investrade P. Ltd. to stock exchange. Therefore it was alleged that BFL (Noticee 2) violated Regulation 7(3), 8(3) of SAST Regulations, 1997 and Regulation 13(6) of SEBI (PIT) Regulations, 1992(hereinafter referred to as PIT Regulations 1992..
4. Further, Ms. Sarita Chandak, Rajat Share Broking Pvt. Ltd, Shree Gurudev Investment (Prop JayeshNarendraKesharia HUF), Rahul Kumar Agarwal, BhanwarlalBahulal Suthar and Hetal Nilesh Gor Noticees 3 to 8 had manipulated the price of scrip by placing Orders above the LTP through first trades and establishing New High Price. Therefore it was alleged that Noticee 3-8 violated Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of SEBI (Prohibition of Unfair Trade Practices Relating to Securities Market)

Regulations, 2003 (hereinafter referred to as PFUTP) read with section 12A (a), (b) and (c) of SEBI Act, 1992 and Anmol Finance Company had manipulated the scrip price in connivance with entities at Giriraj Kishore Agrawal and Pradeep Dhanuka contributing to LTP & NHP through controlled sale orders (in minimum market lot) at upper circuit price, for registering trades on 116 trading days at BSE. Therefore it was alleged that Noticee 09 violated Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of PFUTP read with section 12A (a), (b) and (c) of SEBI Act, 1992.

5. SEBI has, therefore, initiated adjudication proceedings against Noticees for the alleged violation of the provisions of law.

#### **APPOINTMENT OF ADJUDICATING OFFICER**

6. Ms Anita Kenkare, General Manager was appointed as the Adjudicating Officer vide order dated March 07, 2017, under Section 19 of the SEBI Act read with Section 15-I (1) of SEBI Act 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”) to inquire and adjudge under Section 15 A(b) of the SEBI Act 1992 against Noticee 1 & 2 and under Section 15 HA of the SEBI Act 1992 against Noticee 3-9, for the alleged violations committed by the them. Further, consequent to the inter-departmental transfer and postings, the undersigned has been appointed the AO, vide order dated September 18, 2017 to inquire and adjudge the said matter.

#### **SHOW CAUSE NOTICE, REPLY AND HEARING**

7. A common Show Cause Notice (hereinafter referred to as “SCN”) bearing ref. no. EAD/BJD/MAS/30028/2017 dated November 30, 2017 was issued to the Noticees under Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry be not held against it in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under Sections 15A(b) & 15 HA of the SEBI Act 1992 for the violations alleged to have been committed by the Noticees. Noticee 1 & 2

vide their letters dated March 26, 2018, Noticee 3 vide letter dated April 13, 2018, Noticee 4 vide letter dated December 12, 2017, Noticee 5 vide letter dated April 19, 2018, Noticee 6 vide letter dated December 21, 2017, Noticee 7 has filed the settlement application and Noticee 8 vide letter dated December 22, 2017 requested for investigation report and order log trade log and Noticee 9 has been served the SCN by affixture. However, no reply has been filed by Noticee 9.

8. In the interest of natural justice and in terms of Rule 4 (3) of the Adjudication Rules, vide notices dated March 28, 2018, Noticees were granted opportunity of personal hearing on April 13, 2018. Noticee 3 & 5 attended the hearing and filed their replies to the SCN.
9. I note that the sufficient opportunity of filing reply and personal hearing has been granted to all the Noticees in the matter and I shall proceed with the matter on the basis of material available on record.

## **REPLIES AND SUBMISSIONS OF NOTICEES**

10. Noticee 1 and Noticee 2, vide letters dated March 26, 2018 submitted that they made disclosure to BSE and in support of their claim they submitted two letters addressed to BSE .
11. The Authorised Representative (AR) of Sarita Chandak vide letter dated April 13, 2018 has made submission and the significant parts of the submission are as under:
  - *That my client is a small time investor through her broker M/s. Sunshine Stock Broking Pvt. Ltd. in the stock market and as like everyone, she also looks for scrips which offer good return on investments. My client has been tracking the shares of Banas Finance Ltd. ('The Company') since May 2011. The company had consistently shown positive price movement. This prompted her to invest some amount in the shares of the company. However, the active traded volume of shares on a daily basis were quite less at their respective current market price, because of which my client was not able to purchase it initially. Since my client found it a good*

*investment opportunity, the orders for the share were placed at a higher price which resulted in purchase and delivery of the shares in my client's name.*

- *That Being an active investor in stock market, my client had purchased other companies shares also during the period 03/11/2010 to 09/09/2011.*
- *Total trades of purchases placed by my client is for 830 shares in 15 trades. The above shares were sold by my client in with the last sale happening on 09/09/2011 at Rs. 292.75/- per share. The company had on 12/09/2011, split the face value of the shares from Rs. 10/- per share to Rs. 1/- per share. The price per share of the company had also increased post sale of shares by my client during the period specified. Thus, it is sufficiently clear, that there investments made by my client in the shares of the company were in the nature of pure investment and to earn a decent return on investment.*
- *Further, the price of the shares have constantly increased with active traded volume of 50 quantities being traded every day. Hence where a company has a traded volume of 50 shares almost every day, order request for 200 shares is a big quantity for those shares. Further in 10 out of 15 trades carried out by my client, 50 shares of the company were purchased by her in each trade, which in itself is the average trading volume of the scrip on most of the days. This itself is the reason for my client to place purchase request for those shares at a higher price above the L.T.P, so that she is able to purchase the same and take delivery of it.*
- *There has been no intention nor any modus operandi followed to artificially create a price rise.*

12. Rajat Share Broking P. Ltd vide letter dated December 12, 2017 has made submissions and the significant parts of the submission are reproduced as under:

- *In September 2010, the paid up capital of the company consists of 3, 00,000 equity shares of Rs. 10/- each consisting of 240 shareholders and out of this capital the total dematshres were Nil.*

- On December 31, 2010 the capital consist of 1,02,00,000 equity shares and 13,000 shares were in demat mainly belongs to public category.
- As in September, 2011 total no of public shareholders are 343 the capital consisting of 10,20,00,000 equity shares of face value of Rs 1/- each and 10,15,74,500 shares were in demand and the preference shares allotted were in lock in.
- On the date of revocation of Suspension the price varied from Rs 50 to Rs 2. The Trading Volume of the Script in variably 10-50 shares but in an incremental basis keep on moving in a upward direction. This technical analysis supported by the corporate disclosure of the company.
- That the trading are screen based and who is the buyer or seller not known to the participants.
- That we do not know who was the seller or Jayesh N Kesharia (HUF) and why he was selling only one share everyday.
- That we place the purchase order for more than 500 shares per day. The same was also mentioned in the SCN para 5.
- The script was in Z Group;
- That we bought the shares on a delivery basis and based on our technical analysis and speculative in nature;
- That we are not connected with the management of the company.
- That we have constantly put buy orders and remain present for entire day. If we will not get any buy order save and except for one what is our misstate. We have not placed order for only one share.
- The price on 3rd Nov 2010 was Rs. 9.37 & on 9th Aug 2011 was Rs. 209.3 and on the last date of investigation period i.e. on 9th September 2011 was Rs. 281.20. The high was Rs. 292.60 & low was Rs. 281.20 & the script closed at lower circuit on that day. The volume on 9th September 2011 was 1506 shares(25 trades) & whereas the volume on 8th September 2011 was 754 shares(7 trades).
- That we had not bought shares from 3rd Nov 2010 when the price was Rs. 9.37 & had entered in the market on 9th August 2011 when the price was Rs. 209.30.
- That we entered in the market after about 9 months & already the trading had taken place for 123 trading days & the price had already increased by 2233%.

- That we entered on a very high price & have been able to sell the shares after about 1 to 2 months from the date of purchase & had earned small gain of Rs. 58785/- in Banas Finance.
- That we had no intention to rig the price.
- That we have not been provided pending buy order details for all our trading days i.e. 9th August 2011, 26th Aug 2011, 2nd September, 2011, 5th Sep 2011, 6th Sep 2011, 7th Sep 2011 & 8th Sep 2011.
- That on 8<sup>th</sup> Sep 2011 there were 7 trades for 754 shares out of which we had bought 500 shares for delivery.

*NHP (New High Price)*

- That before Rajat Share Broking Pvt Ltd & Rahul Kumar Agarwal entered in the market for purchase of shares, the NHP has already increased to 2233% in case of Rajat Share Broking Pvt Ltd & 2416% in case of Rahul kumar Agarwal. The total increase in price was about 3001%.
- There was no long term capital gain & shares were sold between 1 to 2 months after the purchase.

*Further vide letter identical to the letter submitted by Rajat shares and Rahul Kr Agarwal has submitted as under:*

- That the price on 3rd Nov 2011 was 9.37 & on 19th August 2011 was Rs. 226.45 when I entered in the market first time. At that time the price had already increased about 2416% & highest increase was about 3001%.
- That I do not see anything wrong to enter in the market when the price had already increased to 2416%.
- That my first purchase was on 19th Aug 2011 & last purchase was on 30th Aug 2011 & all the shares were sold on 7th Oct 2011.
- That a small profit of Rs. 4477/- was made in the transactions of banas finance.
- That all the profits were in nature of short Term Capital Gain due tax was paid.

13. Noticee 5 M/s. Shree Gurudev Investment (Prop: Jayesh Narendra Kesharia (HUF) vide letter dated April 19, 2018 made the submissions and the significant parts of the same are reproduced as under:

- That I am a constituent registered with M/s. Bharti Thakkar India Securities Pvt.Ltd., a member of Bombay Stock Exchange Ltd., having Clearing No.737, bearing SEBI Registration No.INB010996432, and carrying on transactions in shares and securities through the said M/s. Bharti Thakkar India Securities Pvt. Ltd., in the name of Shree Gurudev Investment (Client ID 5588) since 2003.
- I had also carried out transactions through one M/s.Amit Sahita Finance Pvt Ltd in the name of Shree Gurudev Investment, between 18/07/2011 and 31/07/2011, since the said M/s.Bharti Thakkar India Securities Pvt.Ltd. was suspended during the said period.
- I am investing mainly in "B" group and "T" group securities. Based on my research on the basis of data available on Bombay Stock Exchange website, I select the scrips in "B" group and "T" group.
- One of the strategies adopted by me is to watch for securities which hit upper circuit on account of outstanding buyers at the end of the day. In such cases people are desirous of purchasing the securities and therefore the chances of prices hitting upper circuits in the forthcoming days is bright.
- Initially I purchase such scrips, and as and when I feel that the scrip has reached the possible higher rate I sell the same. The transactions carried out by me are purely delivery based, and spread over a period of time.
- Based on my research I had carried out transactions in the scrip in question.
- During the period of investigation I had purchased 900 shares of Banas Finance Ltd. between 2nd March, 2011 and 4th July, 2011.\_
- The payments of purchase consideration have been made from my own funds. I have not borrowed any funds from any third party, or received any funds from any third party.
- Subsequently between 19th August'2011 and 24th October'2011 I had sold the said shares purchased by me.
- During the investigation period, (i.e. November 03, 2010 to September, 09, 2011), consisting of 222 trading days, the scrip in question was traded on 141 trading days on the Exchange, and on all trading days the scrip opened at a price higher than its previous closing price. Out of the said 141 trading days I have traded only on 16 Trading days, wherein I had purchased in all 900 shares, and had sold the said 900



*shares. I had placed the orders above last traded price/previous day's closing price with sole intention so that the order placed by me gets executed. Apart from the orders, which were executed, I had placed various orders in the scrip in question during the investigation period, however, the other orders could not get priority and were not executed. The said fact may be verified from the order logs available with the SEBI.*

- *Even subsequent to the investigation period the said scrip has witnessed huge volumes in 2012 as well as in 2013.*
- *My total turnover during the period of investigation was Rs.22, 05, 36,038=60, whereas, my total turnover in the scrip in question was Rs.83, 722=50, which is only 0.037969% of my total turnover during the period of investigation, as is evident from the trade summary for the period of investigation.*
- *The Surveillance Department of Bombay Stock Exchange Ltd. made enquiries from the said M/s. Bharti Thakkar India Securities Pvt. Ltd. with regard to my transactions in few scrips. Further, the Securities and Exchange Board of India also made enquiries with regard to my transactions. Therefore, I had provided Indemnities in favour of the said M/s.Bharti Thakkar India Securities Pvt.Ltd.*
- *The said M/s. Bharti Thakkar India Securities Pvt.Ltd. vide its letter dated 21st June, 2012 addressed to the Surveillance Department of Bombay Stock Exchange Ltd. and to the Market Operations Department, Securities & Exchange Board of India, after narrating the facts, sought guidance as to whether they should allow me to continue my trades. However, none of the said letters have been replied either by Surveillance Department of Bombay Stock Exchange Ltd. or by the Market Operations Department, Securities & Exchange Board of India. For your ready reference I am enclosing herewith copies of the said letters dated 21st June, 2012.*
- *I was not aware about the counter party member broker and/or client.*
- *I have no relationship of any nature whatsoever with the said M/s. Anmol Finance Company, its partner/proprietor or any of its associates.*

- *I have learnt about the said M/s. Anmol Finance Company and its involvement in the transactions in the scrip in question, for the first time from your notice under reply.*
- *Since the year 2003 I have been using my mobile number 9322891272, which was initially under Reliance Communication, however, during 2017, the said Reliance Communication has stopped its telecom services, consequently I have ported the said mobile number from Reliance Communication to Vodafone. Since the transactions pertain to the year 2011-12 I do not hold copies of the bills pertaining to the said mobile number, and as the said Reliance Communication has stopped its telecom services I am unable to obtain duplicate bills with respect to the said mobile number 9322891272. However, as a regulatory, the SEBI may call upon the said Reliance Communication to provide the details of call logs, which will clearly establish that I had not contact with the said M/s. Anmol Finance Company, its partner/proprietor or any of its associates, or any other person named in the said show cause notice.*
- *The learned Whole Time Member, Mr. Rajeev Kumar Agarwal, vide the ad interim ex-parte Order dated December 19, 2014, passed in the matter of Radford Global Limited and ad interim ex-parte Order dated April 17, 2015 passed in the matter of Mishaka Finance And Trading Limited, restrained me alongwith various other entities from accessing the securities market and further prohibited me from buying, selling or dealing in securities in any manner whatsoever, till further directions. Vide orders dated November 10, 2015 the learned Whole Time Member was pleased to revoke the directions issued against me.*

## **CONSIDERATION OF ISSUES**

14. The issues that arise for consideration are as under:

- a. *Whether M/s. Handful Investrade P. Ltd. Violated Regulation 7(1) of SAST Regulations, 1997 and BFL violated Regulation 7(3), 8(3) of SAST Regulations, 1997 & 13(6) of PIT Regulations, 1992?*
- b. *Whether Ms. Sarita Chandak, Rajat Share Broking Pvt. Ltd, Shree Gurudev Investment (Prop Jayesh Narendra Kesharia HUF), Rahul Kumar Agarwal, Bhanwarlal Bahulal Suthar, Hetal Nilesh Gor and Anmol Finance Company*

*violated Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of PFUTP read with section 12A (a), (b) and (c) of SEBI Act, 1992?*

*c. Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act, 1992?*

*d. If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?*

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

**SAST 1997**

*7. (1) Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to the stock exchanges where shares of the target company are listed.*

*(3) Every company, whose shares are acquired in a manner referred to in sub regulations (1) and (1A), shall disclose to all the stock exchanges on which the shares of the said company are listed the aggregate number of shares held by each of such persons referred above within seven days of receipt of information under sub-regulations (1) and (1A).*

*8 (3) Every company whose shares are listed on a stock exchange, shall within 30 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, make yearly disclosures to all the stock exchanges on which the shares of the company are listed, the changes, if any, in respect of the holdings of the persons referred to under sub regulation (1) and also holdings of promoters or person(s) having control over the company as on 31st March.*

**PIT 1992**

*13(6) Every listed company, within two working days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under sub-regulations (1), (2), (3) and (4) in the respective formats specified in Schedule III.*

**PFUTP Regulations**

**Prohibition of certain dealings in securities.**

3. 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: –
  - (b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
  - (e) any act or omission amounting to manipulation of the price of a security

16. Before proceeding with the charges against Noticees, it is relevant to note that during the period November 03, 2010 to September 09, 2011 (IP) the price of the scrip increased from Rs. 9.37 to high of Rs. 292.60 (hitting circuit filter limit on all trading days) registering an increase of Rs.283.23. (i.e. 3,022.73%). During the same period, BSE Sensex declined from 20,465.74 to 16,866.97 registering a decrease of 3,598.77 points (i.e. 17.58%). I also note that there was no trading prior to November 3, 2010. The first trading day was on November 3, 2010 for 50 shares at a price of Rs 9.37. The next trading day was on February 4, 2011 i.e.

after a gap of 3 months. Thereafter, the price of the scrip touched upper circuit limit on 85 consecutive trading days till June 13, 2011 with only one trade for 50 shares on each day. There were 5 trades on June 14, 2011 and scrip touched upper circuit limit for next 56 consecutive trading days till September 7, 2011 with only single trades for shares ranging from 1 share to 50 shares. Thus, it is evident that the scrip is highly illiquid scrip. The price of the scrip from February 4, 2011 was Rs 9.83 and increased to Rs 281. 3 on September 7, 2011. Thus, I note that there were trading on June 14, 2011, September 8 and 9, 2011 where in 17 trades, 7 trades and 25 trades for 1050 shares, 754 shares, 1506 shares respectively.

17. As per the charge, I note that Noticee 3-9 were alleged to have manipulated the price of scrips by executed trades with the intention to create artificial volume by attracting gullible investors and thereby offloading their shares to make substantial ill-gotten gains.

#### **NOTICEE 1 AND 2**

18. M/s. Handful Investrade P. Ltd. (Noticee 1) had acquired more than 5% of share capital; it was required to make disclosure to the company and the BSE under Regulation 7(1) of SAST Regulations 1997 and under Regulation 13(1) of PIT Regulations, 1992 by January 03, 2011. It was observed that Noticee 1 did not make disclosure to the stock exchange under Regulation 7(1) of SAST Regulations, 1997. It was also observed that Noticee 2, did not disclose to stock exchanges under Regulation 13(6) of PIT Regulation 1992.

BFL failed to make the disclosures received from M/s. Handful Investrade P. Ltd. to stock exchange. Therefore it was alleged that BFL (Noticee 2) violated Regulation 7(3), 8(3) of SAST Regulations, 1997 and Regulation 13(6) of SEBI (PIT) Regulations, 1992.

19. Noticee 1 & 2 vide letters dated March 26, 2018 submitted that they made the disclosures to BSE as require under Regulation 7(3), 8(3) of SAST Regulations, 1997 and Regulation 13(6) of PIT Regulations 1992 and the acknowledgement

of the same from the BSE was submitted in support of their claim that they complied with the disclosure requirement. Noticee 1 submitted copy of its letter dated December 30, 2010 addressed to BSE, which had the acknowledgement seal of BSE dated December 30, 2010. Noticee 2 submitted copy of its letter dated January 2, 2011 addressed to BSE, which had the acknowledgement seal of BSE dated December 30, 2010. I note that letter dated January 2, 2011 was signed by Giraj Kishore Agrawal, promoter director of BFL. I perused the documents submitted by the Noticee 2 and note that there is apparent contradiction on the face of record. I note that copy of the letter dated January 2, 2011, addressed to BSE regarding disclosure was acknowledged by BSE on December 31, 2010. It is not possible to acknowledge the future dated document on prior date. This clearly establishes that Noticee 2 had fabricated the document as an afterthought to create documentary evidence to demonstrate that they made submission within the prescribed timelines. Given that both the disclosures relate to same event and considering the apparent fabrication of documents, I have taken serious view of the manipulative intent of Noticees' to cover the wrong deeds and deliberately mislead me. Therefore, I do not give any credence to the evidences submitted by Noticees' and consider the evidence on record (confirmation by BSE) that no disclosures were made by Noticees as required and thus conclude Noticee 1 and 2 failed to make any disclosure to BSE.

20. I note that Noticee 1 was included in the promoter category of BFL pursuant to acquisition of 14, 50,000 shares through preferential allotment at the rate of Rs 20 each including premium of Rs 10 each. This information is material for investors and therefore should be promptly to investors. Further, Noticee did not seem to have any interest to follow up with BSE to ensure such material information was available in public domain. There are various modes of communication through which it could inform BSE. I note from the letter head of Noticees that they had fax number and email id. The responsibility of Noticees will not rest with mere submission of documents at BSE. Being listed company, it is also its responsibility to ensure prompt disclosure and cannot

wash of its responsibility by merely submissions documents at BSE. I also take note trading of Noticee 2 was suspended due to non compliance of listing agreement.

21. In view of above, I conclude that Noticee 1 & 2 failed to disclose under SAST Regulations 1997 and PIT Regulations 1992 respectively. Therefore I conclude that the allegation against M/s. Handful Investrade P. Ltd for violation of Regulation 7(1) of SAST Regulations, 1997 and against Noticee 2 for violation of Regulations 7(3), 8(3) of SAST Regulations, 1997 and Regulation 13(6) of PIT Regulations, 1992 stand established.

### **DEALINGS OF NOTICEES 3-9**

22. I note that during the period of investigation, the scrip traded on 141 days with total traded volumes of 9595 shares through 191 trades. The average volume for each day was 68 shares. I note that 140 trades were instrumental in establishing a new high price of 283.23. It was also observed that in respect of all trades which resulted in new high price buy orders were placed at upper circuit filter rate and later on sale orders were placed.
23. It was alleged in the SCN that Noticee 3-9 contributed substantially in creation of New High Price and thereby manipulated and violated Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of PFUTP.
24. In order to examine the charges, I consider it appropriate to analyse the order placement pattern of noticees in terms of timing and number of instance and also their connections with promoter related entities. Firstly, I note that there is no material available on record to suggest that Noticees are connected with any promoter related entity i.e. Anmol Finance Company. However, there are instances where Anmol was counterparty seller for noticees trades. Therefore, it is essential to determine whether such trades were pre meditated or executed in normal course of business. It is also relevant to note the floating stock, number of shareholders and news in public domain for the purpose of identifying whether the buying interest in the scrip is genuine or meant for

manipulating the price of the scrip. I am of the view that liquidity in the scrip which is Trade to Trade Segment would limited only those sellers who hold shares of the company and not otherwise. Thus, there is constraint on the seller side as trades of sellers should result in compulsory delivery.

25. Before I proceed further, following corporate announcement during the period of investigations were made.

- a. On May 30, 2011, BFL informed the financial results for the period ended March 31, 2011.
- b. On July 8, 2011, BFL informed that it would consider the sub-division of face value of shares from Rs 10 to Rs 1 per share and alteration of Memorandum of Association in this respect.
- c. On July 15, 2011, BFL informed that it has approved sub division of face value of shares from Rs 10 to Rs 1 per share and alteration of Memorandum and Article of Association in this respect.

26. I note that BFL has registered net profit of Rs 0.30 lakhs, Rs 8.1 lakh and Rs 2 lakhs for the financial years ended March 2010, March 2011 and March 2012 respectively. Thus the result for year ended March 2011, which was announcement on May 30, 2011, indicates a relatively better performance compared to previous financial year and therefore may have positive demand for the scrip in the public domain. Further, I also note that the news of the sub-division of shares announced on July 8, 2011 is also positive news as the liquidity in the scrip would increase. In view of above, I consider that any buying interest shown by any investor after May 30, 2011 could be attributable to positive news in public domain.

27. From the shareholding pattern for March 2012 there were 299 public share holders were holding 85.3% and some of them in the category of shareholder holding nominal value less than 1 Lakh, holding 51,050 shares in physical form.

Individuals	No of holder	No. of shares	Demat form	% of capital
Individual shareholders holding nominal share capital up to Rs. 1 lakh	231	86600	35550	0.85



Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	58	8204950	8193950	80.44
<b>Any Others (Specify)</b>	<b>6</b>	<b>414250</b>	<b>414250</b>	<b>4.06</b>
Hindu Undivided Families	5	414150	414150	4.06
Clearing Members	1	100	100	0.00
<b>Sub Total</b>	<b>299</b>	<b>8706500</b>	<b>8644450</b>	<b>85.36</b>

28. Besides above the promoters were holding 14,93,500 shares constituting 14.64% of the share capital. I note from the shareholding pattern 94.64% of share capital is held only with 60 entities. And the balance is held by 237 entities out of which 51,050 shares constituting 0.5% of the share capital is in physical form. Thus it is apparent that 95% shares capital is closely held by few entities and thus the availability for shares in the market is severally constraint. Therefore only those entities that hold the shares can sale in scrip during the investigation as the scrip was in trade to trade segment. In the instant case I note that Amol Finance company was the counterparty for all buy trades which resulted in New High Price of Rs. 283.23. I note from the demat account statement of Amol that it had received 11,300 shares on February 15, 2011 from Rajesh Tukaram Damre. These shares were purchased by Damre from Promoter entity namely Alefyaa Sabbir Khorariwala on Aug 17, 2010. Further based on the material available on record, I also note that Pradeep Dhanuka, connected with Giriraj Agarwal, Director, Compliance officer & CFO of BFL, was placing orders on behalf of Anmol finance Company.

29. Considering that the allegations against all buy side noticees are based on the First and only Trade Registered on a trading day, I am of the view that it is not appropriate to conclude Noticees' involvement merely on the basis of First Trade and only trade registered on that day. In order to determine any determine the manipulative intent and collusion with BLF, I consider it necessary to examine the depth of the Order book and pattern of order placement by the Noticees. Further, such pattern should also be seen in light of the severe supply constraint as mentioned above in the shareholding pattern.

30. In case of highly illiquid scrips, with supply constraints, the modus operandi of price manipulation would be to establish a closing price on each trading day, failing previous closing price would continue which will then thwart the attempt to manipulate the price on successive days. In this context, I note that even if buyers place orders at Upper Circuit limit, in the absence of any sell order, no trade would take place and consequently a closing trade price could not be established. Therefore, buyers do not have any control or role in converting into trades by merely creating buying pressure. Alternatively, in the absence of any buying interest for any reason, buyers and sellers should act in concert in order to establish the price of the scrip. If such pattern of dealings is observed, it can be conclusively established that there was collusion.
31. In light of the observation above, I now proceed with dealing of Noticees, submission of the Noticees and the analysis of order log.

**SARITA CHANDAK (Noticee 3)**

32. I note from the SCN that Noticee no.-3 purchased 830 shares and sold 829 shares and her buy trades contributed to Rs56.90 positive LTP of and NHP of Rs53.10 (i.e. 19.82% of positive market LTP and 18.75 % of market NHP) in 17 trades. It was observed that Noticee No.-9, M/s. Anmol Finance Company ('Anmol') was counterparty on 9 instances out of 17 trades for traded quantity of 405 shares which is 55.48% of total buy quantity of Ms. SaritaChandak.
33. I find from the SCN that out of a total of 140 instances establishing NHP of Rs. 283.23, on 14 instances (i.e. 10% of NHP trades) Ms. Sarita Chandak contributed to NHP of Rs 53.10 and positive LTP of Rs 53.10. Out of 17 trades, for 9 trades buy orders were placed in the range of 1-100 shares which contributed to 62.57% (Rs 35.60).
34. Noticee in its submissions stated that she was a small time investor and was tracking the price movement of BFL, since May 2011 and the continuous positive price movement prompted her to invest in this scrip. I note from the

corporate announcement, that BFL on May 30, 2011, informed the financial results for the period ended March 31, 2011. The result was relatively better than the previous years and therefore such news have the potential of creating buying interest in the shares.

35. I note that Noticee 3 was not holding any shares of BFL and had first dealt in the scrip during the period of investigation on June 14, 2011. Given that there was a corporate announcement in the scrip in the month of May 2011 and the fact that the price of the scrip was continuously touching upper circuit limit from February 04, 2011 to June 13, 2011 i.e. 85 consecutive days, it is normal for any investors to be drawn to such pattern of price increase. Therefore, placing buy orders to get shares in the market to participate in the price rally is a normal pattern of dealings and cannot be faulted with unless there are other materials of connection with promoters and acting in concert with them. There is no material on record of the connection of Noticee 3 with Anmol. However, it was observed that Noticee 3 was on the buy counterparty to the sell trade of Anmol, on few trading days.

36. The total buy trades of Noticee 3 are mentioned in the table below.

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
14/06/2011	SARITA CHANDAK	PRANNOY SURESH KOTHARI	10:16:31.622828	10:14:41.155006	97.25	25
	SARITA CHANDAK	NATHILAL RUNGTA	10:16:31.622828	09:59:40.087350	97.3	100
	SARITA CHANDAK	JAYESH NARENDRA KESHARIA HUF	10:16:31.622828	09:25:58.186320	97.35	88
	SARITA CHANDAK	SUKIBAI SUNDESHA	10:16:31.622828	09:43:01.769163	97.35	87
	SARITA CHANDAK	SUKIBAI SUNDESHA	10:16:41.531178	09:43:01.769163	97.35	13
22/07/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:01.214706	11:01:28.194702	165.3	50
25/07/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:01.715179	13:41:57.729712	168.6	50
26/07/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:00.550670	09:46:17.873287	171.95	50
27/07/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:00.232045	09:35:24.012829	175.35	50
29/07/2011	SARITA CHANDAK	HARISH LADDHA	09:00:00.324580	15:27:20.491344	182.4	1
01/08/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:01.331753	10:09:01.103401	186	50
02/08/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:00.665436	11:19:26.151610	189.7	50

03/08/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:01.162490	09:56:07.365440	193.45	50
05/08/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:01.078534	10:03:00.755867	201.2	50
08/08/2011	SARITA CHANDAK	HETAL NILESH GOR	09:00:00.250430	14:30:25.327552	205.2	50
10/08/2011	SARITA CHANDAK	SURBHIT AGARWAL	09:00:00.435215	11:31:16.041225	213.45	50
12/08/2011	SARITA CHANDAK	ANMOL FINANCE COMPANY	09:00:00.163275	11:05:12.514331	217.7	5
16/08/2011	SARITA CHANDAK	SUNLIGHT TRADING AND INVESTMEN	09:00:00.510717	13:37:44.186231	222.05	10
23/08/2011	SARITA CHANDAK	JAYESH NARENDRA KESHARIA HUF	09:00:00.321623	09:16:34.154573	235.55	1

37. I note that Noticee 3 started purchasing shares after the first corporate announcement in the on the month of May 2011. The first lot of 313 shares were purchased on June 14, 2011 and balance of 517 shares after second corporate announcement made on July 8, 2011. These shares were sold on September 8, 9, 2011. The details of the sale transaction are as under.

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
08/09/2011	RAJAT SHARE BROKING PVT LTD	SARITA CHANDAK	09:04:38.544680	15:29:15.887846	286.9	255
	USHA HARENDRA DIXIT	SARITA CHANDAK	09:15:01.968350	15:29:15.887846	286.9	74
	USHA HARENDRA DIXIT	SARITA CHANDAK	09:15:01.968350	15:29:23.378528	286.9	100
09/09/2011	DHEERAJ BABULAL SHAH	SARITA CHANDAK	09:15:05.458230	11:52:40.948743	292.6	100
	DHEERAJ BABULAL SHAH	SARITA CHANDAK	09:15:05.458230	11:55:56.523503	292.6	100
	DHEERAJ BABULAL SHAH	SARITA CHANDAK	09:15:05.458230	11:55:58.525133	292.6	100
	DATTATRAY MOTIRAM JAMSANDEKAR	SARITA CHANDAK	14:03:00.452032	14:02:50.641959	290.5	100

38. I will now proceed to analyse the Order book one of the days when Noticee 3 had traded and party to First Trade. For the purpose of analysis, the order book on July 26, 2011 is as under:

ORDER_DATE	ORDER_TIME	CLIENTNAME	RATE	AVLQTY
26/07/2011	09:00:00	SARITA CHANDAK	171.9	200
26/07/2011	09:00:00	SARITA CHANDAK	171.95	200

26/07/2011	09:00:02	NATHILAL RUNGTA	171.95	50
26/07/2011	09:00:03	SHREE GURUDEV INVESTMENT	171.95	50
26/07/2011	09:00:03	SHILODAYA INVESTMENTS & FINANCE P. LTD.	171.95	500
26/07/2011	09:39:35	SARIKA	171.95	500
26/07/2011	10:03:49	NAVIN YADAV	0	5
26/07/2011	12:17:05	RAEESA RIZWAN SUNASRA	171.95	10
26/07/2011	14:18:21	KAMLESH KUMAR	171.95	6
26/07/2011	15:41:38	NATHILAL RUNGTA	171.95	50

39. From the above Order book, I note that there are 10 Orders sitting in the Order book on price, time priority basis. Further, at 9:00 there were 5 orders which are placed in a gap of 3 seconds. This pattern suggests that there is no certainty that Noticee 3 would be first in the priority always due to price time priority matching which is beyond the control of buyer. Given that the Anmol, Promoter related entity had selectively put only one sell order for less quantity, the first eligible buy order would get executed. In this case buy order of noticee, being first in priority, converted into trade. The SCN alleged that the first trades of Noticee 3 had manipulated the price of the scrip. I am of the view that had the buy orders of Noticee being 3 or 4 in priority, it would not have got any shares and therefore the allegation of manipulation of price merely on the basis of First Trade would not stand. Based on the pattern of Orders and pending Orders, the Orders of Noticee 3 which converted into First Trade at upper circuit cannot be considered manipulative, especially when Noticee is not connected with Anmol.

40. In view of above, I conclude that charge against Noticee 3 that it had manipulated the price of the scrip does not stand established.

#### **RAJAT SHARE BROKING P LTD (Noticee 4 )**

41. I note from the SCN that Noticee no.-4 purchased 510 shares in 10 trades. Out the 10 trades, 4 trades were at LTP for 500 shares and other 6 trades with total traded quantity of 10 shares contributed to positive LTP of Rs 30.35 and NHP of Rs 30.35 (i.e. 10.57% of positive market LTP and 10.72 % of market NHP). It

was also observed that all the 6 trades which contributed to positive LTP were first trades and the buy orders were placed at upper circuit limit rate before the sell orders were placed in the market. It was also observed that Noticee 4 and Noticee 6 are connected to each other.

42. I find from the SCN that out of a total of 140 instances establishing NHP of Rs. 283.23, on 15 instances (i.e. 10.71% of NHP trades) Noticee 4 and Noticee 6 together have contributed to NHP of Rs 49.55 and positive LTP of Rs 49.55.

43. Noticee 4 in its submissions stated that based on the technical analysis, they bought shares 9<sup>th</sup> August 2011 when the price was Rs. 209.30. They submitted that they entered in the market after about 9 months & already the trading had taken place for 123 trading days & the price had already increased by 2233%. Further, they also submitted that they entered at very high price and were able to sell the shares after about 1 to 2 months from the date of purchase & had earned small gain of Rs. 58,785/- in BFL. I also note that there was corporate announcement, that BFL on May 30, 2011, informed the financial results for the period ended March 31, 2011. The result was relatively better than the previous years and therefore such news have the potential of creating buying interest in the shares. Further, I also note that there was another corporate announcement regarding sub-division of shares on July 8, 2011.

44. I note that Noticee 4 was not holding any shares of BFL and had first dealt in the scrip during the period of investigation on August 9, 2011. Given that there were two positive corporate announcements in the scrip in the month of May 2011 and July 2011 and the fact that the price of the scrip was continuously touching upper circuit limit from February 04, 2011 to August 9, 2011 it is normal for any investors to be drawn to such pattern of price increase as the information regarding weekly / month gainers / circuit filter are available in public domain and specifically tracked by genuine investors for their investment decisions. Therefore, placing buy orders to get shares in the market to participate in the price rally is a normal pattern of dealings and

cannot be faulted with unless there are other materials of connection with promoters and acting in concert with them. There is no material on record of the connection of Noticee 4 with Anmol. Further, Anmol was also not counterparty to the trades of Noticee 4 on any of its trading days.

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
09/08/2011	RAJAT SHARE BROKING	VIPAN KUMAR KOHLI	09:00:00.454033	15:26:29.181062	209.3	5
26/08/2011	RAJAT SHARE BROKING	JAYESH NARENDRA KESHARIA HUF	09:00:00.384597	09:17:32.172374	249.95	1
02/09/2011	RAJAT SHARE BROKING	JAYESH NARENDRA KESHARIA HUF	09:00:00.386775	09:33:41.835136	265.1	1
05/09/2011	RAJAT SHARE BROKING	JAYESH NARENDRA KESHARIA HUF	09:00:00.494204	09:17:47.665890	270.4	1
06/09/2011	RAJAT SHARE BROKING	JAYESH NARENDRA KESHARIA HUF	09:00:01.390122	09:31:13.734778	275.8	1
07/09/2011	RAJAT SHARE BROKING	JAYESH NARENDRA KESHARIA HUF	09:00:00.443133	09:32:47.405014	281.3	1
08/09/2011	RAJAT SHARE BROKING	RADHESHYAM RAMRIKH PUROHIT	09:04:38.544680	09:44:17.676930	286.9	25
	RAJAT SHARE BROKING	NIDHI LODHA	09:04:38.544680	10:15:12.819127	286.9	20
	RAJAT SHARE BROKING	HETAL NILESH GOR	09:04:38.544680	15:23:11.439173	286.9	200
	RAJAT SHARE BROKING	SARITA CHANDAK	09:04:38.544680	15:29:15.887846	286.9	255

45. I will now proceed to analyse the Order book one of the days when Noticee 4 had traded and party to First Trade. For the purpose of analysis, the order book on August 8, 2011 is as under:

ORDER_DATE	ORDER_TIME	CLIENTNAME	RATE	AVLQTY
26/08/2011	09:00:00	RAJAT SHARE BROKING PVT LTD	249.95	500
26/08/2011	09:00:03	BAYA DEVI DUGAR	249.95	25
26/08/2011	09:00:07	SARIKA SINGHAL`	249.95	500
26/08/2011	09:17:32	JAYESH NARENDRA KESHARIA HUF	249.95	1
26/08/2011	13:07:03	KAMLESH KUMAR	249.55	5
26/08/2011	15:10:15	RAMPAL SINGH	249.95	100

46. From the above Order book, I note that there are 6 Orders sitting in the Order book on price, time priority basis. Further, at 9:00 there were 3 orders which are placed in a gap of 7 seconds. This pattern suggests that there is no certainty that Noticee 4 would be first in the priority always due to price time priority matching which is beyond the control of buyer. In this case buy order of notice 4, being first in priority, converted into trade. The SCN alleged that the first

trades of Noticee 4 had manipulated the price of the scrip. I am of the view that had the buy orders of Noticee being 3 or 4 in priority, it would not have got any shares and therefore the allegation of manipulation of price merely on the basis of First Trade would not stand. Based on the pattern of Orders and pending Orders, the Orders of Noticee 4 which converted into First Trade at upper circuit cannot be considered manipulative, especially when Noticee 4 is not connected with Anmol.

47. In view of above, I conclude that charge against Noticee 4 that it had manipulated the price of the scrip does not stand established.

**Shree Gurudev Investment HUF (Prop: JayeshNarendraKesharia) - Noticee 5**

48. I note from the SCN that Noticee no.-5 purchased 900 shares in 18 trades. Out of 18 trades, one trade was at LTP for traded quantity of 50 shares and other 17 trades with total traded quantity of 850 shares contributed to positive LTP of Rs 25.20 and NHP of Rs 25.20 (i.e. 8.78% of positive market LTP and 8.90 % of market NHP) in 17 trades. It was also observed that all the 17 trades which contributed to positive LTP were first trades and the buy orders were placed at upper circuit limit rate before the sell orders were placed in the market. Further, it was observed that Noticee No.-9, M/s. Anmol Finance Company ('Anmol') was counterparty on 16 instances out of 17 trades for traded quantity of 800 shares.

49. I find from the SCN that out of a total of 140 instances establishing NHP of Rs. 283.23 on 17 instances (i.e. 12.14% of NHP trades) Noticee 5 contributed to NHP of Rs 25.20 and positive LTP of Rs 25.20. Out of 17 trades, for 11 trades buy orders were placed in the range of 1-100 shares which contributed to 77.38 % (Rs 19.50) of its Positive LTP.

50. Noticee 5 in its submissions stated that it a small time investors who identifies scrips to be dealt by identifying and tracking all those scrips which hit the circuit limits and spot an investment opportunity through technical analysis.



Noticee also submitted that it does not know any promoter or Anmol and also submitted bank account and mobile records in support of its claim. Further, in support of its claim, it had also submitted list of similar scrips which it traded for small profits.

51. I note that Noticee 5 was not holding any shares of BFL and had first dealt in the scrip during the period of investigation on March 7, 2011. Given that the price of the scrip was continuously touching upper circuit limit from February 04, 2011 to March 7, 2011 i.e. one month, it is normal for any investors to be drawn to such pattern of price increase as the information regarding weekly / month gainers / circuit filter are available in public domain and specifically tracked by genuine investors for their investment decisions. Therefore, placing buy orders to get shares in the market to participate in the price rally is a normal pattern of dealings and cannot be faulted with unless there is other material to suggest connection with promoters and acting in concert with them. There is no material on record of the connection of Noticee with Anmol.

52. I note that majority of the purchases of Noticee was before the first positive corporate announcement made on May 31, 2011, Out of 17 trade, 11 trades were before the announcement and 6 were after the announcement. Out of 17 trades, Anmol was the counter party in 16 trades. This fact read in conjunction with the fact that Anmol was the counter party for majority of the buy trades of Noticee raises suspicious on the intent of the Noticee to deal in the scrip only till May 31, 2011. In order to decide the intent, I consider it necessary to examine the total dealing of the Noticee and also analyse the Order book. The purchase and sale transactions of Noticee 5 are mentioned in the table below.

**Details of purchase transactions.**

53.

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
07/03/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:15:00.125201	09:31:23.247620	21.25	50
22/03/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:15:00.052670	09:54:58.691827	33	50
31/03/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:15:00.122618	10:53:34.655283	37.7	50
19/04/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.131771	11:46:03.977454	46.55	50

25/04/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.071732	09:15:45.618097	49.3	50
02/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.042961	10:10:10.347445	54.3	50
06/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.065320	10:08:57.162088	58.7	50
11/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.146469	09:59:35.433984	62.2	50
19/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.044799	14:18:24.019975	68.5	50
24/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.058369	11:41:16.056284	72.6	50
30/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.025549	09:51:19.562348	78.5	50
01/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.062256	10:31:48.548409	81.65	50
07/06/2011	JAYESH NARENDRA KESHARIA HUF	KALPANA MADHANI SECURITIES PRIVATE LIMITED	09:00:00.042200	09:15:09.818713	88.25	50
07/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.042200	09:20:43.366835	88.25	50
23/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.123750	09:55:19.228030	111.6	50
29/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.155601	09:40:54.540198	120.7	50
04/07/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	09:00:00.019891	10:02:42.276226	128.05	50

### Details of Sale Transactions

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
14/06/2011	LAHERCHAND SHAMJIBHAI LAKHANI	JAYESH NARENDRA KESHARIA HUF	09:00:06.385151	09:25:43.944823	97.35	100
14/06/2011	SATISH NARAYAN HEGDE	JAYESH NARENDRA KESHARIA HUF	09:15:53.623295	09:25:58.186320	97.35	10
14/06/2011	NELLAKKARA RAGHUNATH	JAYESH NARENDRA KESHARIA HUF	09:59:28.408342	09:25:58.186320	97.35	2
14/06/2011	SARITA CHANDAK	JAYESH NARENDRA KESHARIA HUF	10:16:31.622828	09:25:58.186320	97.35	88
19/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:00.976553	09:16:28.142882	226.45	1
22/08/2011	KALPANA MADHANI SECURITIES PRIVATE LIMITED	JAYESH NARENDRA KESHARIA HUF	09:00:00.215510	09:17:16.429562	230.95	1
23/08/2011	SARITA CHANDAK	JAYESH NARENDRA KESHARIA HUF	09:00:00.321623	09:16:34.154573	235.55	1
24/08/2011	RAJAT FINANCIAL SERVICES LTD	JAYESH NARENDRA KESHARIA HUF	09:00:00.427563	09:29:59.848296	240.25	1
25/08/2011	RAHUL	JAYESH	09:00:00.489116	09:17:25.116163	245.05	1

	KUMAR AGRAWAL	NARENDRA KESHARIA HUF				
26/08/2011	RAJAT SHARE BROKING PVT LTD	JAYESH NARENDRA KESHARIA HUF	09:00:00.384597	09:17:32.172374	249.95	1
29/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:00.228215	09:20:22.114139	254.9	1
30/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:02.106248	09:17:12.394620	259.95	1
02/09/2011	RAJAT SHARE BROKING PVT LTD	JAYESH NARENDRA KESHARIA HUF	09:00:00.386775	09:33:41.835136	265.1	1
05/09/2011	RAJAT SHARE BROKING PVT LTD	JAYESH NARENDRA KESHARIA HUF	09:00:00.494204	09:17:47.665890	270.4	1
06/09/2011	RAJAT SHARE BROKING PVT LTD	JAYESH NARENDRA KESHARIA HUF	09:00:01.390122	09:31:13.734778	275.8	1
07/09/2011	RAJAT SHARE BROKING PVT LTD	JAYESH NARENDRA KESHARIA HUF	09:00:00.443133	09:32:47.405014	281.3	1
09/09/2011	DHEERAJ BABULAL SHAH	JAYESH NARENDRA KESHARIA HUF	09:15:05.458230	09:21:10.173614	292.6	1

53. I will now proceed to analyse the Order book one of the days when Noticee had traded and party to First Trade. For the purpose of analysis, the order book on May 19, 2011 which is as under:

ORDER_DATE	ORDER_TIME	CLIENTNAME	RATE	AVLQTY
19-05-2011	09:00:00	JAYESH NARENDRA KESHARIA HUF	68.5	100
19-05-2011	09:00:00	PREM LATA NAHAR	68.5	500
19-05-2011	09:00:00	POOJA AGGARWAL	68.5	100
19-05-2011	09:00:01	BHANWARLAL BABULAL SUTHAR	68.5	2000
19-05-2011	09:00:03	SHILODAYA INVESTMENTS & FINANCE P. LTD.	68.5	1000
19-05-2011	09:00:03	RASHMI PANKAJ BOTHRA	68.5	450
19-05-2011	09:00:03	HETAL NILESH GOR	68.5	300
19-05-2011	09:00:08	LAHERCHAND SHAMJIBHAI LAKHANI	68.5	200
19-05-2011	09:05:41	NIRAV RAJABABU GANDHI	68.5	300
19-05-2011	09:24:57	PREMLATA LATA JAIN	68.5	1000
19-05-2011	09:39:07	DAXABEN VIRENDRAPRASAD PANDYA	68.5	5
19-05-2011	10:18:36	SURENDRA CHOPRA	68.5	1000

54. From the above Order book, I note that there are 12 orders sitting in the Order book on price, time priority basis. Further, at 9:00 there were 8 orders which are placed in a gap of 8 seconds. This pattern suggests that there is no certainty that Noticee would be first in the priority always due to price

time priority matching which is beyond the control of buyer. Given that the Anmol, Promoter related entity had selectively put only one sell order for less quantity, the first eligible buy order would get executed. In this case buy order of noticee, being first in priority, converted into trade. The SCN alleged that the first trades of Noticee had manipulated the price of the scrip. I am of the view that had the buy orders of Noticee being 3 or 4 in priority, it would not have got any shares and therefore the allegation of manipulation of price merely on the basis of First Trade would not stand. Based on the pattern of Orders and pending Orders, the Orders of Noticee which converted into First Trade at upper circuit cannot be considered manipulative, especially when Noticee is not connected with Anmol.

55. In view of above, I conclude that charge against Noticee that it had manipulated the price of the scrip does not stand established.

**RAHUL KUMAR AGARWAL (Noticee 6)**

56. I note from the SCN that Noticee no.-6 purchased 39 shares in 5 trades. Out the 5 trades, 1 trade was at LTP for 35 shares and other 4 trades with total traded quantity of 4 shares contributed to positive LTP of Rs 19.20 and NHP of Rs19.20 (i.e. 6.97% of positive market LTP and 6.78 % of market NHP). It was also observed that all the 4 trades which contributed to positive LTP were first trades and the buy orders were placed at upper circuit limit rate before the sell orders were placed in the market.

57. I find from the SCN that out of a total of 140 instances establishing NHP of Rs. 283.23, on 15 instances (i.e. 10.71% of NHP trades) Noticee 4 and Noticee 6 together have contributed to NHP of Rs 49.55 and positive LTP of Rs 49.55.

58. I note that Noticee 6 is connected to Noticee 4 to each other. Noticee 6 did not give separate submission and therefore I am considering the

submissions made by Noticee 4 and observations made therein would hold good with respect to Noticee 6 as well. Further, I also note that the pattern of trading of both the Noticee are similar in nature.

59. I note that Noticee 6 was not holding any shares of BFL and had first dealt in the scrip during the period of investigation on August 19, 2011. Given that there were two positive corporate announcements in the scrip in the month of May 2011 and July 2011 and the fact that the price of the scrip was continuously touching upper circuit limit from February 04, 2011 to August 19, 2011, it is normal for any investors to be drawn to such pattern of price increase as the information regarding weekly / month gainers / circuit filter are available in public domain and specifically tracked by genuine investors for their investment decisions. Therefore, placing buy orders to get shares in the market to participate in the price rally is a normal pattern of dealings and cannot be faulted with unless there are other materials of connection with promoters and acting in concert with them. There is no material on record of the connection of Noticee 6 with Anmolo Further, Anmol was also note counterparty to the trades of Noticee on any of its trading days.

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
19/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:00.976553	09:16:28.142882	226.45	1
23/08/2011	RAHUL KUMAR AGRAWAL	ANMOL FINANCE COMPANY	09:00:00.410676	11:43:00.861576	235.55	35
25/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:00.489116	09:17:25.116163	245.05	1
29/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:00.228215	09:20:22.114139	254.9	1
30/08/2011	RAHUL KUMAR AGRAWAL	JAYESH NARENDRA KESHARIA HUF	09:00:02.106248	09:17:12.394620	259.95	1

60. I will now proceed to analyse the Order book one of the days when Noticee had traded and party to First Trade. For the purpose of analysis, the order book on August 11, 2011 which is as under:

ORDER_DATE	ORDER_TIME	CLIENTNAME	RATE	AVLQTY
11/08/2011	09:00:00	SARITA CHANDAK	217.7	100
11/08/2011	09:00:00	RAHUL KUMAR AGRAWAL	217.7	500
11/08/2011	09:00:03	JAYESH NARENDRA KESHARIA HUF	217.7	50
11/08/2011	09:00:03	SARIKA SINGHAL	217.7	500
11/08/2011	09:15:01	CHAITANYA PRIVATE TRUST	217.7	1000
11/08/2011	09:53:11	KIRAN NITIN SATRA	217.7	100

61. From the above Order book, I note that there are 6 orders sitting in the Order book on price, time priority basis. Further, at 9:00 there were 4 orders which are placed in a gap of 3 seconds. This pattern suggests that there is no certainty that Noticee 6 would be first in the priority always due to price time priority matching which is beyond the control of buyer. Given that the Anmol, Promoter related entity had selectively put only one sell order for less quantity, the first eligible buy order would get executed. In this case buy order of noticee, being first in priority, converted into trade. The SCN alleged that the first trades of Noticee had manipulated the price of the scrip. I am of the view that had the buy orders of Noticee being 3 or 4 in priority, it would not have got any shares and therefore the allegation of manipulation of price merely on the basis of First Trade would not stand. However the fact that in respect of majority of buy trades of the Noticee, Anmol was the counter party hints at possible connection with Anmol, it cannot however be conclusively established as there were other entities whose orders were pending in the Order book. I see from the above Order book, that there were 10 Orders placed by different entities within a gap of 15 seconds. Given that there in trading system, orders are executed on price time priority, it is not possible to be first in the pending Order book by choice. Considering above, I am inclined to give benefit of doubt to Noticee 6 and conclude that charge against Noticee 6 does not stand established.

62. In view of above, I conclude that charge against Noticee that it had manipulated the price of the scrip does not stand established.

**BhanwarlalBabulalSuthar – (Noticee 7)**

63. Since, the application of Bhanwarlal Babulal Suthar for settlement is pending, I am keeping my conclusion on the alleged violation of Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of PFUTP read with section 12A (a), (b) and (c) of SEBI Act, 1992 against him in abeyance.

**HETAL NILESH GOR( Noticee 8)**

64. I note that Noticee No.-8, Ms. Hetal Gor bought 850 shares and sold 550 shares during the Investigation period. Hetal Gor bought 850 shares in 16 trades contributing to positive LTP of Rs 17.85 and NHP of Rs 17.85 (i.e. 6.22% of positive market LTP and 6.30% of market NHP). Upon analyzing the orders for the aforesaid trades, it was noted that all these trades were first trades and buy orders were placed at upper circuit filter rate before any sell order was placed.

65. I find from the SCN that out of a total of 140 instances establishing NHP of Rs. 283.23 on 16 instances (i.e. 11.42% of NHP trades) Noticee 8 contributed to NHP of Rs 17.85 and positive LTP of Rs 17.85.

66. I note that Noticee 8 did not file its material submission. Therefore, I shall be proceeding further based on the material on record.

67. I note that Noticee 8 was not holding any shares of BFL and had first dealt in the scrip during the period of investigation on March 9, 2011. Given that the price of the scrip was continuously touching upper circuit limit from February 04, 2011 to March 9, 2011 i.e. more than one month, it is normal for any investors to be drawn to such pattern of price increase as the information regarding weekly / month gainers / circuit filter are available in public domain and specifically tracked by genuine investors for their investment decisions. Therefore, placing buy orders to get shares in the market to participate in the price rally is a normal pattern of dealings and cannot be faulted with unless there is other material to suggest connection with promoters and acting in concert with them. There is no material on

record of the connection of Noticee with Anmol. I note that all purchases of Noticee were before the first positive corporate announcement made on May 31, 2011 and there were no purchases made by Noticee after the May 31, 2011. This fact read in conjunction with the fact that Anmol was the counter party for all the buy trades of Noticee raises suspicious on the intent of the Noticee to deal in the scrip only till May 31, 2011. In order to decide the intent, I consider it necessary to examine the total dealing of the Noticee and also analyse the Order book. The purchase and sale transactions of Noticee 8 are mentioned in the table below.

### PURCHASES

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
09/03/2011	HETAL NILESH GOR	ANMOL	09:15:00.016045	09:17:24.563241	23.4	50
10/03/2011	HETAL NILESH GOR	ANMOL	09:15:00.006240	09:50:26.914235	24.55	50
15/03/2011	HETAL NILESH GOR	ANMOL	09:15:00.084738	09:21:06.943656	28.35	50
16/03/2011	HETAL NILESH GOR	ANMOL	09:15:00.050569	09:20:53.400959	.75	50
05/04/2011	HETAL NILESH GOR	ANMOL	09:00:00.056469	10:41:09.988383	39.95	50
15/04/2011	HETAL NILESH GOR	ANMOL	09:00:00.237522	09:20:20.939406	44.8	50
18/04/2011	HETAL NILESH GOR	ANMOL	09:00:00.271630	09:21:44.190920	45.65	50
20/04/2011	HETAL NILESH GOR	ANMOL	09:00:00.106193	14:02:16.980590	47.45	50
21/04/2011	HETAL NILESH GOR	ANMOL	09:00:00.165049	09:28:28.245346	48.35	50
03/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.055831	09:31:35.483177	55.35	50
04/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.030578	11:09:35.037431	56.45	50
05/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.077370	09:24:46.223123	57.55	50
13/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.079994	09:20:52.140816	63.4	100
18/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.102489	14:22:46.625868	67.2	50
20/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.070120	13:47:23.723686	69.85	50
27/05/2011	HETAL NILESH GOR	ANMOL	09:00:00.100309	10:32:04.087710	77	50

### SALES

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_RATE	TRADED_QTY
08/08/2011	SARITA CHANDAK	HETAL NILESH GOR	09:00:00.250430	14:30:25.327552	205.2	50
08/09/2011	RAJAT SHARE BROKING	HETAL NILESH GOR	09:04:38.544680	15:23:11.439173	286.9	200
09/09/2011	DHEERAJ BABULAL SHAH	HETAL NILESH GOR	09:15:05.458230	11:55:53.667624	292.6	300

68. I will now proceed to analyse the Order book one of the days when Noticee had traded and party to First Trade. For the purpose of analysis, the order book on May 3, 2011 which is as under:



ORDER DATE	ORDER TIME	CLIENTNAME	RATE	AVL QTY
03/05/2011	09:00:00	HETAL NILESH GOR	55.35	500
03/05/2011	09:00:00	KAMLESH N. SHAH HUF	55.35	500
03/05/2011	09:00:01	POOJA AGGARWAL	55.35	500
03/05/2011	09:00:01	NATHILAL RUNGTA	55.35	200
03/05/2011	09:00:01	BHANWARLAL BABULAL SUTHAR	55.35	2000
03/05/2011	09:00:03	ASHWIN GOPALBHAI PATEL	55.35	300
03/05/2011	09:00:03	RASHMI PANKAJ BOTHRA	55.35	450
03/05/2011	09:00:04	PREM LATA NAHAR	55.35	500
03/05/2011	09:00:06	PREMLATA LATA JAIN	54.3	1000
03/05/2011	09:00:15	LAHERCHAND SHAMJIBHAI LAKHANI	55.35	200
03/05/2011	09:15:00	SHILODAYA INVESTMENTS & FINANCE P. LTD.	55.35	1000
03/05/2011	09:15:00	VIPULKUMAR NATVARLAL MEHTA	55.35	50
03/05/2011	09:15:15	PREM LATA NAHAR	55.35	500
03/05/2011	09:15:18	PREM LATA NAHAR	55.35	500

69. From the above Order book, I note that there are 14 orders sitting in the Order book on price, time priority basis. Further, at 9:00 there were 10 orders which are placed in a gap of 15 seconds. This pattern suggests that there is no certainty that Noticee would be first in the priority always due to price time priority matching which is beyond the control of buyer. Given that the Anmol, Promoter related entity had selectively put only one sell order for less quantity, the first eligible buy order would get executed. In this case buy order of noticee, being first in priority, converted into trade. The SCN alleged that the first trades of Noticee had manipulated the price of the scrip. I am of the view that had the buy orders of Noticee being 3 or 4 in priority, it would not have got any shares and therefore the allegation of manipulation of price merely on the basis of First Trade would not stand. However the fact that in respect of all the buy trades of the Noticee, Anmol was the counter party hints at possible connection with Anmol, it cannot however be conclusively established as there were other entities whose orders were pending in the Order book.. I see from the above Order book, that there were 10 Orders placed by different entities within a gap of 15 seconds. Given that there in trading system, orders are executed on price

time priority, it is not possible to be first in the pending Order book by choice. Considering above, I am inclined to give benefit of doubt to Noticee 8 and conclude that charge against Noticee 8 does not stand established.

#### **ANMOL FINANCE COMPANY - NOTICEE 9 - (SELLER)**

70. It is noted during the investigation period that, only 20 sellers sold entire traded quantity of 9,595 shares, during the investigation period. Noticee No.-9, M/s Anmol Finance Company (herein after referred as 'AnmolFinance') was the top seller with sale quantity of 6,490 shares.
71. As mentioned earlier, during the investigation period, 144 trades contributed to positive LTP of Rs. 287.08. Of these 144 positive LTP trades, 140 trades contributed to NHP of Rs. 283.23 and all of them were first trades. Out of 140 NHP trades, for 118 trades (i.e.84.28% of NHP trades), Anmol Finance was counterparty (seller) to the trades. Of the 118 NHP trades (on 118 days) where Anmol Finance was the seller, on 116 days, Anmol was the only entity placing sell orders in small quantity (i.e. at minimum lot of 50 shares) which was much lower than the quantity for which buyers were available and during these 116 trading days, there were no trades other than these 116 trades. By virtue of these sell orders placed by Anmol, the price of the scrip could go by Rs. 186.78. From the above, it is apparent that the supply of shares (delivery) in the scrip was artificial and majorly controlled by Anmol.
72. From the above, it is clear that Anmol Finance sold shares in the market in small quantities, with an intention for registering price on the stock exchange. Even though there is no evidence to suggest that buyers and sellers are connected, but the pattern suggests that it was artificially supply of shares for the purpose of registering higher price on the stock exchange on daily basis.

#### **Connection between promoters and M/s Anmol Finance**

73. Anmol Finance Company is a sole proprietary firm and Shri. Rajesh Tukaram Dambre is the sole proprietor. Anmol Finance was holding 11,500

shares in demat at the beginning of the Investigation period. It is observed that Anmol Finance had purchased 11,500 shares (which constitutes 3.83% of paid up capital of the company) through off market from the promoter namely Alefiya Shabbir Khorakiwala on August 17, 2010.

74. It is noted that Anmol was trading through JRG Securities P. Ltd (JRG) and SPS Share Brokers P. Ltd during the Investigation period. JRG vide its submissions dated January 12, 2015 stated that entity namely Shri. Pradeep Dhanuka was placing orders on behalf of Anmol Finance and they had provided transcripts of recordings of order placement in the trading account of Anmol Finance to suggest that Shri. Pradeep Dhanuka was placing orders for Anmol Finance Company.
75. It is noted that Shri. Pradeep Dhanuka and Shri. Girraj Agrawal (Director, Compliance Officer & CFO of Banas Finance) were common directors during the period under investigation, in two companies namely Axon Infotech Ltd. (listed company at BSE), Five X Finance & Investment Ltd. (listed company at BSE), therefore both are connected to each other.
76. It is noted that Anmol sold shares in small quantities although buy orders in large quantities at higher rates/upper circuit filter rates despite holding larger number of shares as explained above. It is clear that Mr. Pradeep Dhanuka using the account of Anmol had intentionally sold minimum lot of 50 shares despite of pending buy orders for large quantities to prop up the price (i.e. NHP of Rs 186.78 (65.95% of total NHP) and 84.28% of instances of NHP trades).
77. From the above, it is apparent that Anmol was consistently marking the price in the market by selling shares in small quantities and manipulated the scrip price. Had M/s Anmol finance has not sold shares consistently in smaller quantities at upper circuit filter price, the price of the scrip would not have moved up substantially from Rs. 9.37 to Rs. 281.20. Such artificial scrip price, mainly benefits the promoters and large shareholders. Since the orders were placed by Shri. Pradeep Dhanuka and he was connected to the Director, Compliance Officer & CFO of the

company, they connived each other and artificially raised the scrip price through controlled supply.

78. I note from the demat account statement of Amol that it had received 11,300 shares on February 15, 2011 from Rajesh Tukaram Dambre and was already holding 200 shares before the transfer. From the pattern of trading by Noticee read in conjunction with the off market transfer and controlled sale consistently for 118 trading days with same pattern established beyond doubt the manipulative intent to increase the price. Further, due to close connection with promoter of BFL coupled only 240 shareholders, it is possible to control the supply of shares as shares were closely held by few shareholders. The fact that despite exponential increase in share price, none of the existing shareholders of the company did not find it attractive to sell the shares and make gains clearly hints at complete control the company had over the shareholders. Such an inference is apparent due to the direct involvement of promoter in controlled supply of shares and devising a deceptive scheme with full knowledge of the list of shareholders available and accessible to them. Further, many of the investors were also holding shares in physical form which further facilitated company to increase its price effortless without active involvement or connivance with any buyers. The positive corporate news in public domain will create sufficient buying pressure from gullible investors who would crave for shares to participate in the price rally. The details of the total sell transactions are as follows.

TRADE_DATE	CLIENTNAME	CP_CLIENT NAME	TRADE_R ATE	TRADED_QT Y	Traded value
04/02/2011	DEEPAK MAGANBHAI MAKWANA	ANMOL	9.83	50	491.5
07/02/2011	NAVIN SAWALDAS MUNYAL	ANMOL	10.32	50	516
08/02/2011	NAVIN SAWALDAS MUNYAL	ANMOL	10.83	50	541.5
09/02/2011	ILA ASHWIN PATEL	ANMOL	11.37	50	568.5
16/02/2011	X SAYARBAI	ANMOL	11.93	50	596.5
17/02/2011	UTSAV UTTAM BAGRI	ANMOL	12.52	50	626
18/02/2011	ILA ASHWIN PATEL	ANMOL	13.14	50	657
21/02/2011	KALPANA MADHANI SECURITIES PRIVATE LIMITED	ANMOL	13.79	50	689.5
22/02/2011	NAVIN SAWALDAS MUNYAL	ANMOL	14.47	50	723.5
23/02/2011	NIRAV RAJABABU GANDHI	ANMOL	15.19	50	759.5
24/02/2011	BCB FINANCE LIMITED	ANMOL	15.94	50	797
25/02/2011	ILA ASHWIN PATEL	ANMOL	16.73	50	836.5

28/02/2011	KALPANA MADHANI SECURITIES PRIVATE LIMITED	ANMOL	17.56	50	878
01/03/2011	NAVIN SAWALDAS MUNYAL	ANMOL	18.4	50	920
03/03/2011	KALPANA MADHANI SECURITIES PRIVATE LIMITED	ANMOL	19.3	50	965
04/03/2011	NAVIN SAWALDAS MUNYAL	ANMOL	20.25	50	1012.5
<b>07/03/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>21.25</b>	<b>50</b>	1062.5
08/03/2011	KALPANA MADHANI SECURITIES PRIVATE LIMITED	ANMOL	22.3	50	1115
<b>09/03/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>23.4</b>	<b>50</b>	1170
<b>10/03/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>24.55</b>	<b>50</b>	1227.5
11/03/2011	PRANNOY SURESH KOTHARI	ANMOL	25.75	50	1287.5
14/03/2011	ILA ASHWIN PATEL	ANMOL	27	50	1350
<b>15/03/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>28.35</b>	<b>50</b>	1417.5
<b>16/03/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>29.75</b>	<b>50</b>	1487.5
17/03/2011	NATHILAL RUNGTA	ANMOL	31.2	50	1560
18/03/2011	NAVIN SAWALDAS MUNYAL	ANMOL	31.8	50	1590
21/03/2011	NAVIN SAWALDAS MUNYAL	ANMOL	32.4	50	1620
<b>22/03/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>33</b>	<b>50</b>	1650
23/03/2011	SUKIBAI SUNDESHA	ANMOL	33.65	50	1682.5
24/03/2011	ILA ASHWIN PATEL	ANMOL	34.3	50	1715
25/03/2011	ASHOK J SONI HUF	ANMOL	34.95	50	1747.5
28/03/2011	ILA ASHWIN PATEL	ANMOL	35.6	50	1780
29/03/2011	ILA ASHWIN PATEL	ANMOL	36.3	50	1815
30/03/2011	ILA ASHWIN PATEL	ANMOL	37	50	1850
<b>31/03/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>37.7</b>	<b>50</b>	1885
01/04/2011	ILA ASHWIN PATEL	ANMOL	38.45	50	1922.5
04/04/2011	ASHWIN GOPALBHAI PATEL	ANMOL	39.2	50	1960
05/04/2011	HETAL NILESH GOR	ANMOL	39.95	50	1997.5
06/04/2011	RADHESHYAM RAMRIKH PUROHIT	ANMOL	40.7	50	2035
07/04/2011	ASHWIN GOPALBHAI PATEL	ANMOL	41.5	50	2075
08/04/2011	NATHILAL RUNGTA	ANMOL	42.3	50	2115
11/04/2011	NATHILAL RUNGTA	ANMOL	43.1	50	2155
13/04/2011	NATHILAL RUNGTA	ANMOL	43.95	50	2197.5
<b>15/04/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>44.8</b>	<b>50</b>	2240
<b>18/04/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>45.65</b>	<b>50</b>	2282.5
<b>19/04/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>46.55</b>	<b>50</b>	2327.5
<b>20/04/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>47.45</b>	<b>50</b>	2372.5
<b>21/04/2011</b>	<b>HETAL NILESH GOR</b>	<b>ANMOL</b>	<b>48.35</b>	<b>50</b>	2417.5
<b>25/04/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>49.3</b>	<b>50</b>	2465
26/04/2011	RASHMI PANKAJ BOTHRA	ANMOL	50.25	50	2512.5
27/04/2011	ASHWIN GOPALBHAI PATEL	ANMOL	51.25	50	2562.5
28/04/2011	NATHILAL RUNGTA	ANMOL	52.25	50	2612.5
29/04/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	53.25	50	2662.5

02/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	54.3	50	2715
03/05/2011	HETAL NILESH GOR	ANMOL	55.35	50	2767.5
04/05/2011	HETAL NILESH GOR	ANMOL	56.45	50	2822.5
05/05/2011	HETAL NILESH GOR	ANMOL	57.55	50	2877.5
06/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	58.7	50	2935
09/05/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	59.85	50	2992.5
10/05/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	61	50	3050
11/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	62.2	50	3110
13/05/2011	HETAL NILESH GOR	ANMOL	63.4	100	6340
16/05/2011	SHIKAGO TRADE&INVESTMENTPVT LTD	ANMOL	64.65	50	3232.5
17/05/2011	PREM LATA NAHAR	ANMOL	65.9	50	3295
18/05/2011	HETAL NILESH GOR	ANMOL	67.2	50	3360
19/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	68.5	50	3425
20/05/2011	HETAL NILESH GOR	ANMOL	69.85	50	3492.5
23/05/2011	PREM LATA NAHAR	ANMOL	71.2	50	3560
24/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	72.6	50	3630
25/05/2011	PREM LATA NAHAR	ANMOL	74.05	50	3702.5
26/05/2011	PREM LATA NAHAR	ANMOL	75.5	50	3775
27/05/2011	HETAL NILESH GOR	ANMOL	77	50	3850
30/05/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	78.5	50	3925
31/05/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	80.05	50	4002.5
01/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	81.65	50	4082.5
02/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	83.25	50	4162.5
03/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	84.9	50	4245
06/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	86.55	50	4327.5
07/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	88.25	50	4412.5
08/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	90	50	4500
09/06/2011	NATHILAL RUNGTA	ANMOL	91.8	50	4590
10/06/2011	NATHILAL RUNGTA	ANMOL	93.6	50	4680
13/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	95.45	50	4772.5
14/06/2011	SURBHIT AGARWAL	ANMOL	97.35	50	4867.5
15/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	99.25	50	4962.5
16/06/2011	SHEETAL DHEERAJ SHAH	ANMOL	101.2	50	5060
17/06/2011	VIPAN KUMAR KOHLI	ANMOL	103.2	50	5160
20/06/2011	SHILODAYA INVESTMENTS & FINANCE P. LTD.	ANMOL	105.25	50	5262.5
22/06/2011	PURAV JASMIN VISARIA	ANMOL	109.45	50	5472.5
23/06/2011	JAYESH NARENDRA KESHARIA HUF	ANMOL	111.6	50	5580
24/06/2011	NATHILAL RUNGTA	ANMOL	113.8	50	5690
27/06/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	116.05	50	5802.5

28/06/2011	VIPAN KUMAR KOHLI	ANMOL	118.35	50	5917.5
<b>29/06/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>120.7</b>	<b>50</b>	6035
30/06/2011	SURESH MADHAVJI KOTHARI	ANMOL	123.1	50	6155
01/07/2011	BHANWARLAL BABULAL SUTHAR	ANMOL	125.55	50	6277.5
<b>04/07/2011</b>	<b>JAYESH NARENDRA KESHARIA HUF</b>	<b>ANMOL</b>	<b>128.05</b>	<b>50</b>	6402.5
05/07/2011	NATHILAL RUNGTA	ANMOL	130.6	50	6530
06/07/2011	NATHILAL RUNGTA	ANMOL	133.2	50	6660
07/07/2011	NATHILAL RUNGTA	ANMOL	135.85	50	6792.5
08/07/2011	NATHILAL RUNGTA	ANMOL	138.55	50	6927.5
11/07/2011	NATHILAL RUNGTA	ANMOL	141.3	50	7065
12/07/2011	NIDHI LODHA	ANMOL	144.1	50	7205
13/07/2011	NIDHI LODHA	ANMOL	146.95	50	7347.5
15/07/2011	SHILODAYA INVESTMENTS & FINANCE P. LTD.	ANMOL	149.85	50	7492.5
18/07/2011	SHILODAYA INVESTMENTS & FINANCE P. LTD.	ANMOL	152.8	50	7640
19/07/2011	NATHILAL RUNGTA	ANMOL	155.85	50	7792.5
20/07/2011	NIDHI LODHA	ANMOL	158.95	50	7947.5
<b>21/07/2011</b>	<b>SHREE GURUDEV INVESTMENT</b>	<b>ANMOL</b>	<b>162.1</b>	<b>50</b>	8105
<b>22/07/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>165.3</b>	<b>50</b>	8265
<b>25/07/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>168.6</b>	<b>50</b>	8430
<b>26/07/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>171.95</b>	<b>50</b>	8597.5
<b>27/07/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>175.35</b>	<b>50</b>	8767.5
<b>28/07/2011</b>	<b>SARIKA SINGHAL</b>	<b>ANMOL</b>	<b>178.85</b>	<b>50</b>	8942.5
<b>01/08/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>186</b>	<b>50</b>	9300
<b>02/08/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>189.7</b>	<b>50</b>	9485
<b>03/08/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>193.45</b>	<b>50</b>	9672.5
04/08/2011	NIDHI LODHA	ANMOL	197.3	50	9865
<b>05/08/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>201.2</b>	<b>50</b>	10060
<b>12/08/2011</b>	<b>SARITA CHANDAK</b>	<b>ANMOL</b>	<b>217.7</b>	<b>5</b>	1088.5
23/08/2011	RAHUL KUMAR AGRAWAL	ANMOL	235.55	35	8244.25
<b>09-09-2011</b>	DHEERAJ BABULAL SHAH	<b>ANMOL</b>	<b>292.6</b>	<b>50</b>	<b>14630</b>
	DHEERAJ BABULAL SHAH	ANMOL	292.6	20	<b>5852</b>
	DHEERAJ BABULAL SHAH	ANMOL	292.6	35	<b>10241</b>
	DHEERAJ BABULAL SHAH	ANMOL	292.6	95	<b>27797</b>
	DHEERAJ BABULAL SHAH	ANMOL	292.6	50	<b>14630</b>
	DHEERAJ BABULAL SHAH	ANMOL	292.6	100	<b>29260</b>
	<b>DHEERAJ BABULAL SHAH</b>	ANMOL	292.6	100	<b>29260</b>
				<b>Total Value</b>	<b>5,92,674</b>

79. In view of above, I conclude that the price manipulation was planned and executed by Anmol (promoter's related entities) through complete control over the supply of shares which smoothly facilitated sustenance of

consecutively hit upper circuit limit for 116 trading sessions. Thus, I conclude that the allegations against Noticee no.-9, Anmol Finance Company for manipulating the scrip price and contributed to LTP & NHP through controlled sale orders (in minimum market lot) at upper circuit price, for registering trades on 116 trading days at BSE in violation of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (b) & (e) of PFUTP read with section 12A (a), (b) and (c) of SEBI Act, 1992 stand established.

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

#### **Penalty under 15A(b) & 15 HA of SEBI Act 1992**

81. *15A(b). If any person, who is required under this Act or any rules or regulations made thereunder, –  
to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*

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

82. While determining the quantum of penalty under Sections 15 A(b) & 15HA of SEBI Act 1992, it is important to consider the factors stipulated in Section 15J of SEBI Act, 1992 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."*

83. In order to adjudge the quantum of penalties, in light of the factors mentioned under 15 J of the SEBI Act 1992, I have analysed the trade and order log to quantify the gains made by the Noticees, pursuant to the scheme of manipulation of price of the scrip through controlled sale of shares which resulted in creation of new high price for 116 consecutive trading days and thereby increased the price of the scrip from Rs. 9.37 to high of Rs. 292.60 (hitting circuit filter limit on all trading days) registering an increase of Rs.283.23. (i.e. 3,022.73%). The details of the total buy and sell quantity and corresponding net sell quantity along with value of traded value is mentioned in the Table above. I note that total value of shares used for the purpose of manipulating price of the scrip was Rs.283.23. (i.e. 3,022.73%). In 140 days. However the actual gain made by promoter and promoter related entities after the manipulation of the scrip(Post spilt) is not available in the file as it falls outside the investigation period. Therefore considering the role and involvement by the promoter related entity deliberately and consistently in 140 consecutive trading day and the value of the shares used for manipulation I consider to impose the penalty of Rs 25 Lakh on Noticee 9.

#### **ORDER**

84. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I of the Act and Rule 5 of Rules, I hereby impose the monetary penalties on the

Noticees as under:

Sr. No.	Name of the Noticees	Penal provisions as per the SEBI Act, 1992	Penalty Amount (in lakhs)
1.	Handful Investrade P Ltd	Section 15A(b)	10, 00,000(Rs Ten Lakh Only) To be paid jointly and severally by Noticee 1&2
2.	Banas Finance Ltd	Section 15A(b)	
3.	Ms. Sarita Chandak	Section 15HA	Nil
4.	Rajat Share Broking Pvt. Ltd	Section 15HA	Nil
5.	Gurudev Investment HUF (Prop Jayesh Narendra Kesharia)	Section 15HA	Nil
6.	Rahul Kumar Agarwal	Section 15HA	Nil
7.	Bhanwarlal Bahulal Suthar	Section 15HA	Abeyance in view of Settlement Proceedings(Yet to be Adjudged)
8.	Hetal Nilesh Gor	Section 15HA	Nil
9.	Anmol Finance Company	Section 15HA	25,00,000(Rs Twenty Five Lakh Only)
TOTAL			35,00,000(Rs Thirty Five Lakh Only)

85. I am of the view that the said penalties would be commensurate with the violations committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors the aforesaid failure committed by the Noticees.

86. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR

through e-payment facility into Bank Account the details of which are given below:

Account No. for remittance of penalties levied by Adjudication Officer

Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No	31465271959

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

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

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

Date: April 27, 2018

Place: Mumbai

**B J DILIP**

**ADJUDICATING OFFICER**