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# National Stock Exchange of India

## Circular

| Department: Investigation | |
|---|---|
| **Download Ref No: NSE/INVG/61269** | **Date: March 21, 2024** |
| **Circular Ref. No: 296/2024** | |

To All NSE Members,

**Sub**: **Final Order In the matter of Front Running by Banhem Stock Broking Pvt. Ltd. and Ninja Securities Pvt. Ltd.**

This is with reference to in respect of SEBI Order No. WTM/ASB/IVD/ID17/30165/2023-24 dated March 21, 2024, wherein SEBI has restrained following from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for period as mentioned in the table below:

| Noticee No. | Name of Entity | PAN | Period of Debarment |
|---|---|---|---|
| 1 | Kaushal Chandarana | ABJPC5129L | 1 Year |
| 2 | Manish Mehta | AAEPM2096G | 3 Years |
| 3 | Banhem Stock Broking Pvt. Ltd. | AACCB5251H | 2 Years |
| 4 | Ninja Securities Pvt. Ltd. | AAACN2336B | 3 Years |

Further, SEBI vide above order has directed that directions issued vide the Interim Order cum SCN against Kashmira Mehta (PAN: AGSPM3714H) and Sumatilal Mehta (PAN: AADPM0100C) are hereby revoked and the proceedings against them are disposed of without any further directions.

The order comes into force with immediate effect.

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

# National Stock Exchange of India

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

**For and on behalf of**
**National Stock Exchange of India Limited**

**Sandesh Sawant**
**Senior Manager**

**ANNEXURE: Final Order In the matter of Front Running by Banhem Stock Broking Pvt. Ltd. and Ninja Securities Pvt. Ltd.**

**SECURITIES AND EXCHANGE BOARD OF INDIA**
**FINAL ORDER**

**Under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995**

**In respect of:**

| SL. NO. | NOTICEE(S) | PAN |
|---|---|---|
| 1. | Kaushal Chandarana | ABJPC5129L |
| 2. | Manish Mehta | AAEPM2096G |
| 3. | Banhem Stock Broking Pvt. Ltd. | AACCB5251H |
| 4. | Ninja Securities Pvt. Ltd. | AAACN2336B |
| 5. | Kashmira Mehta | AGSPM3714H |
| 6. | Sumatilal Mehta | AADPM0100C |

*(The aforesaid entities are hereinafter referred to by their respective names or Noticee number and collectively as "the Noticees".)*

**In the matter of Front Running by Banhem Stock Broking Pvt. Ltd. and Ninja Securities Pvt. Ltd.**

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**Background**

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") received surveillance alerts from NSE, indicating that trades by certain suspected entities were apparently in the nature of trades that were executed for front-running the trades of Anvil Wealth Management Pvt. Ltd., a portfolio management service ("**PMS**") provider (hereinafter referred to as "**Anvil**" / "**Big Client**"). Based on the aforesaid alerts, SEBI initiated investigation against suspected entities to look into the possible violations of the provisions of SEBI Act, 1992 and various regulations framed thereunder including SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations, 2003**") during the period March 1, 2020 to September 30, 2022 (hereinafter

referred to as "**Investigation Period / IP**"). The investigation revealed *inter alia* the following:

(a) Anvil operated one PMS scheme namely 'Long Only Equity Scheme' ("**LOES**"). During the Investigation Period, LOES had gross traded value of Rs.3355.07 Crores and had invested in 131 distinct scrips. Anvil had traded mostly through four Trading Members namely, KR Choksey Shares and Securities Pvt. Ltd., Anvil Share & Stock Broking Pvt. Ltd., Dam Capital Advisors Ltd. and Kotak Securities Ltd.

(b) During the course of investigation, it was noted that Ninja Securities Pvt. Ltd. (hereinafter referred to as "**Ninja / Noticee 4**") and Banhem Stock Broking Pvt. Ltd. (hereinafter referred to as "**Banhem / Noticee 3**") had traded in different securities ahead of the impending orders placed on behalf of Anvil. Mr. Manish Mehta (hereinafter referred to as "**Manish / Noticee 2**"), a common Director of Ninja and Banhem, was connected to the Portfolio Manager of Anvil, Mr. Kaushal Chandarana (hereinafter referred to as "**Kaushal / Noticee 1**").

(c) The trading pattern of Ninja and Banhem showed that they were executing their orders on the stock exchange ahead of the orders of Anvil (i.e. Big Client) in the equity segment. Subsequently, soon after the Big Client's orders were placed, Ninja and Banhem squared off their earlier trade positions taken on the Exchange platform. In the process, substantial proceeds of profit were generated in the trading accounts of Noticees 3 and 4 due to price movement of scrip in a certain direction resulting from large buy / sell orders of the Big Client. Trades to front-run (buy and sell) the trades of the Big Client in the aforesaid manner were executed through the trading accounts of Ninja and Banhem on numerous occasions during the Investigation Period.

(d) The above modus operandi suggested that a scheme was hatched by Kaushal and Manish wherein the former would pass on the information of the impending trade orders of the Big Client to the latter, who would then place orders from the trading accounts of his connected entities, Ninja and Banhem thereby front-running the trades of Big Client.

(e) Mr. Sumatilal Mehta (hereinafter referred to as "**Sumatilal / Noticee 6)** and Ms. Kashmira Mehta (hereinafter referred to as "**Kashmira / Noticee**

**5)** were the Directors of Ninja and Banhem during the relevant period when the *prima facie* front-running trades were executed from the trading account of Ninja and Banhem. Being directors and part of management, they were responsible for the acts of Ninja and Banhem.

(f) The aforesaid acts of Noticees 1 to 6 were allegedly in violation of provisions of Sections 12A(a), (b) & (c) of SEBI Act, 1992 read with Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(q) of PFUTP Regulations, 2003.

**Interim Order-cum-Show Cause Notice, Reply, Cross Examination and Hearing**

2. In view of the findings of investigation, an Interim Order-cum-Show Cause Notice dated March 28, 2023 (hereinafter referred to as, **"Interim Order**") was issued by SEBI to the Noticees 1 to 6, for the abovementioned alleged violations, whereby the Noticees were *inter alia* restrained from accessing or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever till further directions. Further, Noticees, jointly and/or severally, were directed to deposit the alleged unlawful gains of Rs.2.23 Crores, earned through such *prima facie* front-running trades, in an escrow account. The Interim Order was duly served on the Noticees.

3. Subsequently, Noticees *2 to 6* filed an appeal before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") against the Interim Order. The Hon'ble SAT vide its order dated May 17, 2023 stayed the direction of restraint imposed on the Noticees and further directed the Noticees to deposit 50% of the alleged unlawful gains in an escrow account with the lien marked in favor of SEBI. The Hon'ble SAT further directed SEBI to defreeze the bank accounts and demat accounts upon successful deposit of the aforementioned 50% amount by the Noticees.

4. In the meantime, Noticees 2 to 6 sought inspection of certain documents which was provided on June 15, 2023. Further, Noticees 2 to 6 sought cross examination of Noticee 1 which was conducted on October 20, 2023. The Noticees filed their respective replies to the Interim Order. The submissions made by the Noticees are summarized in subsequent paragraphs. An

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opportunity of personal hearing was granted to the Noticees on January 10, 2024, which was attended by Noticees' authorized representatives.

5. Noticee 1 vide his replies dated November 21, 2023, January 29, 2024 and February 29, 2024 has submitted *inter alia* the following:

(a) Noticee 1 denies all the allegations of the Interim Oder.

(b) Anvil had 6-7 Analysts, each of whom were given 1-2 sectors comprising of 10-15 companies in 1 sector. Every day, before the beginning of market hours, Noticee 1 and all the 6-7 analysts used to have a meeting wherein ideas, news, events and whatever discussions and readings which the analysts had were discussed and deliberated upon. The final selection of scrip to trade in used to be based on factors such as Quality of management, Historical returns, etc.

(c) Noticee 1 used to call the dealers of the particular brokers via phone to execute the trades**.** The entire quantity of shares was communicated to the dealer and if the same was available on market price, it was executed. Further, in many instances, the trades were done throughout the day as the quantity required was not available at that particular time.

(d) Noticee 1 used to sit in an open space and was always surrounded by Anvil's analysts and operations team, which made it impossible to make calls in isolation. Noticee 1 didn't have a separate independent cabin in Anvil, as evident from photographs shared vide email dated 27.10.2023.

(e) As regards connection between Noticee 1 and Manish, the former was trying to get Manish to be enrolled with Anvil as a client. However, despite his best efforts, Manish did not become client of Anvil, even though he was given client registration form several times through office person of Manish.

(f) Manish purchased 25,000 shares of Shilpa Medicare Ltd for Noticee 1 and kept them in his demat account. After about 3 months, Noticee 1 sold his investments in NOCIL and took delivery of shares of Shilpa Medicare Ltd from Manish in off market and paid entire amount to him. Noticee 1 is still holding shares of Shilpa Medicare Ltd in his demat account.

(g) Calls to Manish were made to persuade him to get registered with Anvil as a client. Majority of the calls relied upon by SEBI in the Interim Order were made post market hours. Further, the Call Data Record (**CDR**) provided by SEBI is only for the period between 01.02.2021 to 30.06.2021, whereas the investigation period was from 01.03.2020 to 30.09.2022. Even during the limited number of calls which have been relied upon by SEBI, there was no transfer of any information w.r.t. impending trades of Anvil, as alleged in the Interim Order or otherwise.

(h) The gross traded value in PMS of Anvil during Investigation Period was Rs.3,355.07 Crores, spread over 131 distinct scrips, whereas the alleged front-running trades by Banhem and Ninja were in 34 scrips and on 183 occasions only.

6. Noticees 2, 3 and 4 vide their common replies dated November 03, 2023, January 26, 2024 and February 29, 2024 have submitted inter alia the following:

(a) Noticees deny all the allegations regarding the front-running as stated in the Interim Order.

(b) As regards connection between Noticee 1 and 2 and phone calls between them, Manish was approached by Kaushal to become a client for PMS offered by Anvil. However, Manish did not choose to become a client of Anvil.

(c) SEBI has referred to only 24 calls exchanged between Noticees 1 and 2 across 14 days whereas the impugned trades are across 114 trading days. Even out of the 24 calls, 2 calls are shown to be of zero seconds duration. This, by itself completely demolishes any charge of front-running. Further, out of 14 days when the calls were exchanged, there were no impugned trades executed on 8 days. The trades were executed only on 6 trading days i.e. 25.03.2021, 01.04.2021, 26.04.2021, 10.05.2021, 11.05.2021 and 09.06.2021. Analysis of the trade timing and the call timings on the said 6 days is provided.

(d) Though Noticee admits speaking to Noticee 1, such communication was never in respect of any trades to be carried out by the Big Client.

(e) The charge of front-running is akin to the charge of Insider Trading i.e. passing of non-public information to get a trading advantage. However, in the absence of proof of communication of the non-public information, it is impossible to make out any such charge against a party.

(f) It is now settled law that the mere preponderance of probability is not enough to sustain serious charges such as Insider Trading or Front Running. Even SEBI has expressly held that merely because a person was related to the connected person, it cannot by itself be a foundational fact to draw an inference of communication of non-public information. SEBI in this case has undoubtedly failed to make out any case if alleged communication of non-public information to the Noticees by Noticee 1.

(g) Kaushal requested Manish to finance purchase of the shares of Shilpa Medicare Ltd., however, Manish did not finance the same. Instead Manish purchased 25,000 shares for about Rs.1.43 cores and kept the same in his demat account. Later on, Kaushal paid a sum of about Rs. 1.43 Crores to Manish and took delivery of the said shares. Kaushal is still holding the said shares, as admitted in his cross-examination. Shilpa Medicare is not one of the scrips in which there are allegations of front-running.

(h) Banhem, incorporated in 2004, is engaged in equity investments and trading related activities. Earlier, Banhem was a registered Trading Member with BSE. However, the said membership was surrendered in December 2011. Likewise, Ninja incorporated in 1995, is engaged in equity investments and trading related activities.

(i) Ninja and Banhem are day traders and trades are undertaken by them during the course of a single day in several scrips, which are usually liquid and have price moment, thus giving the trader scope to make a small intra-day trading profit. If the volume or price of any scrips reveals some movement which can potentially translate into a profit, the traders are permitted and in fact encouraged to trade in that scrip. However, if a trade is unlikely to make a profit, delivery of the same can also be taken, to be sold off later at a profit. Therefore, keeping in mind that delivery may also have to be taken of a scrip at the end of the day, trading is generally done in well- known and stable scrips.

(j) Manish is an investor /trader in capital market and is a director in Banhem and Ninja. His selection of trades/investments is inter-alia based on fundamentals & technical parameters, including the daily and recent price and volume data of a scrip, with help of software's such as Falcon/IRIS. Apart from Manish, the employees of Banhem and Ninja also independently take calls to trade based on real -time news circulating in the market, and on public portals such as moneycontrol.com. The employee traders are also permitted to independently take trading calls without always having to confirm the same with Manish.

(k) The allegations of front-running are in respect of only 34 scrips, during the Investigation Period. However, during the same period, Ninja had traded in a total of 1173 scrips and Banhem had traded in a total of 535 scrips. Further, Anvil had traded in 131 scrips. If there was any such Front Running being carried out, it is highly unlikely that the Noticees would have restricted themselves to only 34 scrips and not taken advantage of the non-public information in nearly a hundred other scrips. The impugned trades form a miniscule part of Noticees 3 and 4's overall trading. During the Investigation Period, their total trading turnover was in the range of Rs.446 Crores to Rs.716 Crores and Rs.15 Crores to Rs.68 Crores respectively.

(l) On practically every single day on which front-running is alleged, Noticees 3 and 4 traded in dozens of several other scrips, in respect of which no allegations of front-running have been made.

(m) SEBI Order dated 27.02.2024 in the matter of Front Running trading activities by Tushar Gupta are squarely applicable to the facts of the present proceedings. Further, an article *"Anvil Wealth to shut down PMS business amid regulatory scrutiny"* published by the Hindu Business Line on 26.02.2024 may also be referred to.

7. Noticees 5 and 6 vide their replies dated May 31, 2023, June 07, 2023, June 15, 2023 and November 08, 2023 have submitted inter alia the following:

(a) Noticee 5 is a housewife and Noticee 6 is 78 years old and a retired person. They are investors in the capital markets. Even though Noticees 5 and 6 are directors in Noticees 3 and 4, they were not in control of day to day business operations and trading decisions of Noticees 3 and 4, as already mentioned in the Interim Order. Accordingly, no action should be taken against them.

(b) Certain documents have not been provided by SEBI to the Noticees 5 and 6. Due to non-availability of such documents, the Noticees have been incapacitated to submit an effective reply in this matter.

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(c) Noticee 1 has stated that he did not have any independent cabin and he used to sit in an open space surrounded by his analysts and operations team and it was not possible for him to make calls in isolation.

(d) There is not even a whisper of the names of the Noticees by Noticee 1, to indicate that they were never involved in the trading of Noticees 3 and 4.

(e) The following judgements of Hon'ble Supreme Court, Hon'ble SAT and SEBI may be relied upon:

- Supreme Court Order dated 30.04.1998 in the matter of State of Haryana vs. Brij Lal Mittal & Ors.
- SAT Order dated 14.02.2019 in the matter of Pritha Bag vs SEBI
- SAT Order dated 09.08.2019 in the matter of Sayanti Sen vs SEBI
- SEBI Order dated 28.05.2021 in the matter of Tatia Global.

**Consideration of Submissions and Findings**

8. I have examined the allegations in the Interim Order, the replies filed / submissions made by the Noticees. Before proceeding any further, it deem it appropriate to refer to the relevant provisions of law which are alleged to have been violated by the Noticees, extracts of which are reproduced hereunder:

**SEBI Act, 1992**

*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;*

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**PFUTP Regulations, 2003**

***3. Prohibition of certain dealings in securities***

*No person shall directly or indirectly—*

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

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

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

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

***4. Prohibition of manipulative, fraudulent and unfair trade practices***

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

**[Explanation.– For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.]*

*(2) Dealing in securities shall be deemed to be a *[manipulative] fraudulent or an unfair trade practice if it involves any of the following:—*

*(a)…*

*(b)… ….*

*(q) any order in securities placed by a person, while directly or indirectly in possession of information that is not publically available, regarding a*

*substantial impending transaction in that securities, its underlying securities or its derivative.*

9. I note that the allegation against the Noticees is that they were engaged in front-running. While neither the PFUTP Regulations, 2003 nor the SEBI Act, 1992 mention the term "front-running", Regulation 4(2)(q) of PFUTP Regulations, 2003 covers the said activity by incorporating two elements: (i) existence of non-public information regarding the substantial order of big client for dealing in securities; and (ii) orders placed by a person while in possession of the said non-public information.

10. I note that Kaushal, being the Portfolio Manager of the Big Client (i.e. Anvil) was responsible for taking the day-to-day investment decisions and was *inter alia,* responsible for the scrip selection for investment and portfolio creation for his clients. Further, he was also responsible for execution of trades as only he used to directly communicate with the empaneled Trading Members via phone calls or messages, as no other individual or intermediary was involved in communicating such investment decisions to the Trading member. From the above, it is clear that Kaushal was in possession of confidential / non-public information regarding size and timing of impending buy / sell orders of Big Client during the Investigation Period.

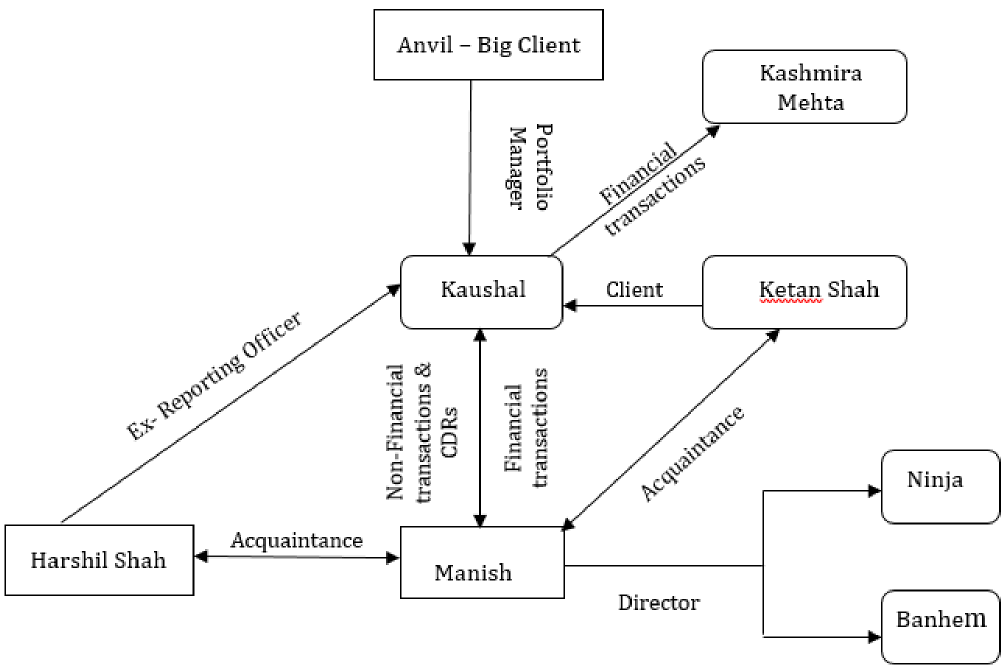
**Inter-se Connection between Noticees**

11. I note from records that there were financial transactions between Kaushal and Manish, wherein Kaushal transferred INR 1.43 Crores to Manish Mehta HUF (wherein Manish is the Karta). I note that the Noticees 1 and 2 have admitted to the said transaction and have submitted that the same was in connection with the shares of Shilpa Medicare, which were purchased by Manish on behalf of Kaushal and were ultimately transferred to kaushal, in off-market, in March 2022. In addition to the above transactions, there were also financial transactions between Kaushal and Kashmira (Noticee 5), wife of Manish, which are tabulated below:

| S.No. | Date | Mode | Beneficiary | Amount (Rs.) |
|---|---|---|---|---|
| **1** | 05/02/2020 | NEFT | Kashmira Mehta | 10,000 |
| **2** | 05/02/2020 | NEFT | Kashmira Mehta | 40,000 |
| **3** | 06/02/2020 | NEFT | Kashmira Mehta | 2,50,000 |
| **4** | 12/03/2020 | NEFT | Kashmira Mehta | 3,00,000 |
| **5** | 17/04/2020 | NEFT | Kashmira Mehta | 4,00,000 |
| **6** | 07/08/2020 | RTGS | Kaushal Chandarana | 10,00,000 |

12. From the above, I note that financial dealings existed amongst the Noticees, which none of them has denied. Apart from the same, I note that Noticees are also connected *inter alia* through family relationship, common directorship, call recordings and financial transactions. For instance, Noticee 2 is husband and son of Noticees 5 and 6 respectively. Further, Noticees 2, 5 and 6 are common directors in Noticees 3 and 4. Noticees 1 and 2 were also connected through few common individuals. The *inter se* connections amongst the Noticees are depicted pictorially, as under:

**Figure No. 1**




13. I note from records that Noticees 1 and 2 also had frequent communications through phone calls. Details of CDRs of calls between them are provided below:

| S. No. | Noticee (A) | Noticee (B) | A to B | | B to A | | Period |
|---|---|---|---|---|---|---|---|
| | | | No. of calls | Avg. duration in seconds | No. of calls | Avg. duration in Seconds | |
| 1. | Kaushal (982XXXX213) | Manish (976XXXX999) | 8 | 29 | 13 | 33 | 1/2/2021 to 30/6/2021 |
| 2. | Kaushal (982XXXX213) | Manish (702XXXX951) | 1 | 7 | 2 | 30 | 1/2/2021 to 30/6/2021 |

14. The Interim Order, based on the close connection and abovementioned frequent telephonic communication, has alleged that Noticee 1 had passed on non-public information pertaining to impending orders of Anvil, which was not public, to Noticee 2, who then traded in the account of Noticees 3 and 4. In this regard, Noticees have submitted that SEBI has only relied upon 24 calls exchanged between Manish and Kaushal Chandarana across 14 days, whereas the impugned trades were across 114 trading days. They have also contended that the said 24 calls were made between 01.02.2021 and 30.06.2021, whereas the Investigation period covered much longer period from 01.03.2020 to 30.09.2022. They have also contended that out of 14 days when calls were exchanged, there were no impugned trades executed on 8 days. They have also submitted that there was no correlation between the trade timings and the telephone call timings on the remaining 6 trading days. An analysis of the remaining 6 trading days, i.e. Trade Timing compared to the call timings as submitted by the Noticees is tabulated below:

| Trade Date | Scrip Name | Order Start Time (Approx.) | Call Time (Approx.) |
|---|---|---|---|
| 25.03.2021 | AB Capital Ltd | 12.15 p.m. | 07.48 a.m. (Before Market Hours) |
| 01.04.2021 | Atul Ltd | 11.35 a.m. | 08.04 p.m. (After Market Hours) |
| 01.04.2021 | Astrazenca | 10.11 a.m. | 08.04 p.m. (After Market Hours) |
| 26.04.2021 | Bharat Forge Ltd | 9.29 a.m. | 02.27 p.m. (During Market Hours) |
| 26.04.2021 | Bayer Crop Ltd | 11.02 a.m. | 02.27 p.m. (During Market Hours) |
| 10.05.2021 | Astrazenca | 02.30 p.m. | 06.02 p.m. (After Market Hours) |
| 11.05.2021 | AB Capital Ltd | 09.28 a.m. | 04.10 p.m. and 04.24 p.m. (After Market Hours) |

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| | | | |
|---|---|---|---|
| 11.05.2021 | Cosmo Films Ltd | 10.41 a.m. | 04.10 p.m. and 04.24 p.m. (After Market Hours) |
| 09.06.2021 | Firstsource Solutions Ltd | 12.26 p.m. | 04.31 p.m. and 05.02 p.m. (After Market Hours) |
| 09.06.2021 | Heritage Foods Ltd | 11.14 a.m. | 04.31 p.m. and 05.02 p.m. (After Market Hours) |
| 09.06.2021 | JSW Steel Ltd | 09.43 a.m. | 04.31 p.m. and 05.02 p.m. (After Market Hours) |

15. I have considered the submissions of the Noticees. I note that the Noticees have contended that the call timings between Noticee 1 and Noticee 2 do not relate to the trade timings executed by Noticee 3 and 4. However, I note that it is not SEBI's case that Noticee 1 had communicated the non-public information to Noticee 2 while making the abovementioned telephone calls on 14 days. I note that the financial dealings as well as the frequent telephonic communications between Noticees 1 and 2 have been taken into account only as an evidence of close connection between Noticees 1 and 2. It is to be seen whether such close connection between Noticees 1 and 2, coupled with other corroborative evidences, is sufficient to establish a preponderance of probability which could lead to an inference that Noticee 1 had indeed communicated the non-public information to Noticee 2. This becomes necessary, since having a direct proof of such communication of non-public information is almost impossible. Under these circumstances, the trading pattern of the persons who are alleged to have received the non-public information, is a crucial factor, which can be used as a corroborative evidence to arrive at a definite finding. I therefore proceed to analyze the trading pattern of Noticees 3 and 4 who are alleged to have traded after receiving the non-public information.

**Trading Pattern of Ninja and Banhem**

16. A summary of the trades of Noticees 3 and 4 during the investigation period are provided below:

## Trading profile of Ninja

| | Equity Segment | | | | | Equity Derivative Segment | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Calendar days** | **No of instances** | **Gross Traded Value (INR in lakh)** | **Average Gross Traded Value (INR in lakh)** | **Square off earned (INR in lakh)** | **Calendar days** | **No of instances** | **Gross Traded Value (INR in lakh)** | **Average Gross Traded Value (INR in lakh)** | **Square off earned (INR in lakh)** |
| No of Scrip days/Contract days traded | 643 | 21792 | 133187.98 | 6.11 | 438.98 | 509 | 3187 | 176809.21 | 55.48 | 249.07 |
| Common Scrip days/Contract days with BC | 257 | 348<br>(1.59% of total no. of instances) | 30586.06<br>(22.96% of GTV) | 87.89<br>14.38 time of Avg. GTV | 220.83<br>(50.3% of total profits) | 105 | 167 | 14807.13<br>(8.37% of GTV) | 88.67 | 45.18 |
| No of Other Non-Common Scrip days/Contract days with BC | 643 | 21444 | 102601.92<br>(77.04% of GTV) | 4.78 | 218.15<br>(49.7% of total profits) | 497 | 3020 | 162002.08<br>(91.63% of GTV) | 53.64 | 203.89 |
| No of Scrip days/Contract days wherein day trading has been carried out | 501 | 1441 | 36863.72<br>(27.68% of GTV) | 25.58 | 310.41 | 256 | 461 | 52225.59<br>(29.54% of GTV) | 113.29 | 157.2 |
| No of Scrip days/Contract days wherein day traded and commonly traded with BC | 129 | 159<br>(11.03% of total no. of Intra-day instances) | 23825.25<br>(17.89% of GTV) | 149.84 | 196.63<br>(63.34% of total profits) | 34 | 37 | 8546.42<br>(4.83% of GTV) | 230.98 | 38.08 |
| Instances where client earned a positive square off difference of INR 1 or more. | 579 | 2511 | 63485.8<br>(47.67% of GTV) | 25.28 | 471.98 | 324 | 725 | 95111.37<br>(53.79% of GTV) | 131.19 | 286.35 |
| No of Scrip days/Contract days wherein client has front-run the trades of Big Client with a positive square off difference of INR 1 or more. | 104 | 128 | 21358.42<br>(16.04% of GTV) | 166.86 | 179.4 | 20 | 20 | 7027.60<br>(3.97% of GTV) | 351.38 | 24.79 |

## Trading profile of Banhem

| | Equity Segment | | | | |
|---|---|---|---|---|---|
| | Calendar days | No of instances | Gross Traded Value (INR in lakh) | Average Gross Traded Value (INR in lakh) | Square off earned (INR in lakh) |
| No of Scrip days/Contract days traded | 423 | 1478 | 7700.16 | 5.21 | 37.31 |
| Common Scrip days/Contract days with BC | 50 | 65 | 4051.22 (52.61% of GTV) | 62.33 | 28.57 |
| No of other Non-Common Scrip days/Contract days with BC | 417 | 1413 | 3648.94 (47.39% of GTV) | 2.58 | 8.74 |
| No of Scrip days/Contract days wherein day trading has been carried out | 159 | 270 | 4274.36 (55.51% of GTV) | 15.83 | 33.37 |
| No of Scrip days/Contract days wherein day traded and commonly traded with Big Client | 40 | 53 | 3650.62 (47.41% of GTV) | 68.88 | 27.43 |
| Instances where client earned a positive square off difference of Rs. 1 or more. | 76 | 132 | 4653.45 (60.43% of GTV) | 35.25 | 38.49 |
| No of Scrip days/Contract days wherein client has front-run the trades of Big Client with a positive square off difference of INR 1 or more. | 29 | 35 | 2444.08 (31.74% of GTV) | 69.83 | 18.00 |

17. From the aforesaid tables, I note that Ninja had executed approximately 23% of trades in terms of Gross Traded Value (GTV) on common contract days with Anvil in the equity segment. Similarly, for Banhem, 52.61% of trades in terms of GTV were executed on common contract days with Anvil in the equity segment.

18. I further note that the Interim Order has alleged that on 183 instances the trades of Big Client were front-run by Ninja (148 instances) and Banhem (35 instances) in equity segment and equity derivative segment of NSE. Interim Order has also analysed few instances of front-running behaviour displayed by Ninja and Banhem. However, the Noticees have given their own analysis of the trades of Noticees 3 and 4 to counter SEBI's allegations. In such situation, it would be in order to compare the analysis of the alleged trades as given in the Interim Order vis-à-vis the analysis submitted by the Noticees. In this regard, a few instances are given below:

***Instance 1: Scrip Name: Polyplex Corp Ltd. (Trade Date: May 5, 2021)***

19. I note that the Interim Order has recorded that on the aforesaid scrip day, the trades were executed from the trading account of Ninja by following a Sell-Sell-Buy (SSB) trade pattern thereby front-running the trades of Anvil in the cash segment of the securities market, in the scrip of Polyplex Corp Ltd. The details of the same are given below:

| Particulars | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Ninja | Sell | 11,000 | 14:15:13 | 14:18:25 | - | 1187 |
| Anvil | Sell | 96,399 | 14:17:50 | 15:13:52 | - | 1152 |
| Ninja | Buy | 11,000 | 14:25:14 | 14:27:09 | 77 | 1157 |

20. As per Interim Order, Anvil had placed sell order in the scrip of Polyplex Corp Ltd. for a quantity of 96,399 shares at 14:17:50 hours which was completed at 15:13:52 hours in the equity segment on May 5, 2021. The corresponding front-running sell order from the trading account of Ninja was placed in the same scrip at 14:15:13 hours which ended at 14:18:25 hours for 11,000 shares. Subsequently, buy order in the scrip was placed from the aforesaid trading account to square off the first leg of the trade by placing buy order for 11,000 shares between 14:25:14 hours to 14:27:09 hours, which matched with the Big Client order for 77% of the total quantity bought by Ninja. The aforesaid front-running instance resulted in a total profit of Rs. 3,31,539/- for Ninja.

21. In respect of the above, the Noticees have submitted that Ninja had executed the aforesaid trades since the volumes in the scrip had increased 2 times from the previous trading day and the price of the scrip had also moved substantially by about 8% to a 52 week high.

22. The price-volume data of the scrip between 03.05.2021 to 07.05.2021 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 07-May-21 | 1,164.80 | 1,164.90 | 1,085.00 | 1,154.40 | 1,090.00 | 1,243.70 | 1,69,212 | 10,314 |
| 06-May-21 | 1,165.10 | 1,177.00 | 1,132.25 | 1,142.80 | 1,154.40 | 1,243.70 | 1,95,066 | 11,409 |
| 05-May-21 | 1,061.80 | 1,243.70 | 1,035.00 | 1,055.05 | 1,142.80 | 1,243.70 | 8,74,357 | 36,459 |
| 04-May-21 | 1,093.80 | 1,137.60 | 1,022.35 | 1,072.90 | 1,055.05 | 1,137.60 | 4,19,414 | 19,354 |
| 03-May-21 | 958.4 | 1,083.85 | 958.4 | 958.4 | 1,072.90 | 1,083.85 | 7,22,129 | 24,464 |

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23. I note from the aforesaid table that the volumes in the scrip increased from 4,19,414 shares on 04.05.2021 to 8,74,357 shares (108% increase) on 05.05.2021. Similarly, number of trades also rose from 19,354 on 04.05.2021 to 36,459 (88% increase) on 05.05.2021. I also note that the price of the scrip rose to 52-week high of Rs. 1243.70 and closed at Rs. 1142.80 (8% more than previous day's closing price).

24. I note that the Interim Order has alleged that Ninja was involved in 7 instances of front-running in the scrip of Polyplex. In this regard, the Noticees have submitted that Ninja was a regular trader in the scrip of Polyplex and Ninja has traded in the scrip of Polyplex on 14 trading days other than the alleged 7 instances during the Investigation Period.

25. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of Polyplex, they have traded in various other scrips, which are mentioned below:

| Trade Day | Noticee | Trades in scrips other than Polyplex on same trading day |
|---|---|---|
| 15.07.2020 | Ninja | 37 |
| 19.08.2020 | Ninja / Banhem | 36 / 2 |
| 17.08.2020 | Ninja / Banhem | 84 / 5 |
| 05.05.2021 | Ninja | 68 |
| 04.03.2021 | Ninja | 71 |
| 10.07.2020 | Ninja | 41 |
| 14.07.2020 | Ninja / Banhem | 35 / 3 |
| 15.07.2020 | Banhem | 7 |

***Instance 2: Scrip Name: Cosmo First Ltd. (Trade Date: July 14, 2020)***

26. Interim Order has recorded that on the aforesaid scrip day, trades were executed from the trading account of Banhem, following a Buy – Buy - Sell (BBS) trade pattern to front-run the trade of Anvil in the scrip of Cosmo First Ltd. The details of the same are given below:

| Particulars | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Banhem | Buy | 24185 | 9:32:58 | 12:31:04 | - | 366.4 |
| Anvil | Buy | 1,00,285 | 9:32:08 | 12:55:38 | - | 372.8 |
| Banhem | Sell | 27,209 | 9:40:58 | 13:30:40 | 78 | 374.4 |

27. As per Interim Order, Anvil had placed sell order for a quantity of 1,00,285 shares in the scrip of Cosmo First Ltd. during the period between 9:32:08 hours

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to 12:55:38 hours in the cash segment of the securities market on July 14, 2020. The front-running buy order from the trading account of Banhem was placed in the said scrip between 9:32:58 hours to 12:31:04 hours for 27,209 shares. Subsequently, sell order was placed in the scrip from the aforesaid trading account to square off the first leg of the trade by placing the buy order between 9:40:58 hours to 13:30:40 hours which matched with the Big Client order for 78% of the total shares bought by the Banhem. The aforesaid instance of front-running resulted in a total profit of Rs.1,93,092.49/- for the Banhem.

28. In respect of above, Noticees have submitted that Banhem had executed the aforesaid trade as the volumes in the scrip had increased by 3 times from the previous trading day and the price of the scrip had also moved by about 12% to a 52 week high.

29. The price-volume data of the scrip around 14.07.2020 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 16-Jul-20 | 374.4 | 377.05 | 364 | 375.3 | 372.7 | 394 | 87,351 | 2,612 |
| 15-Jul-20 | 388.95 | 390.8 | 370.1 | 377.7 | 375.3 | 394 | 3,39,011 | 8,480 |
| 14-Jul-20 | 351.5 | 394 | 344.05 | 349.65 | 377.7 | 394 | 12,71,032 | 26,817 |
| 13-Jul-20 | 337.4 | 356.8 | 334.85 | 334.3 | 349.65 | 356.8 | 3,95,688 | 8,013 |
| 10-Jul-20 | 322.9 | 343.25 | 322.2 | 322.2 | 334.3 | 356.2 | 3,27,861 | 7,348 |

30. I note from the aforesaid table that the volumes in the scrip increased from 3,95,688 shares on 13.07.2020 to 12,71,032 shares (221% increase) on 14.07.2020. Similarly, number of trades also rose from 8,013 on 13.07.2020 to 26,817 (234% increase) on 14.07.2020. I also note that the price of the scrip rose to a 52-week high till Rs. 394 (12% high than previous day's closing price) and closed at Rs. 377.70 (8% more than previous day's closing price).

31. I note that the Interim Order has alleged that Ninja and Banhem were involved in 11 and 6 instances of front-running respectively in the scrip of Cosmo. In this regard, I note that the Noticees have submitted that Ninja and Banhem were regular traders in the scrip of Cosmo and they have traded in the scrip of Cosmo

on various trading days (Ninja - 21 trading days and Banhem - 3 trading days) other than the alleged instances during FY 2019 to 2022.

32. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of Polyplex, they have traded in various other scrips which are tabulated below:

| Trade Day | Noticee | Trades in scrips other than alleged scrip on same trading day |
|---|---|---|
| 21.01.2022 | Ninja | 87 |
| 04.05.2022 | Ninja | 31 |
| 10.07.2020 | Ninja / Banhem | 41 / 57 |
| 13.07.2020 | Ninja / Banhem | 38 / 3 |
| 15.07.2020 | Ninja / Banhem | 37 / 7 |
| 17.07.2020 | Ninja / Banhem | 37 / 1 |
| 04.09.2020 | Ninja | 59 |
| 15.01.2021 | Ninja | 36 |
| 19.01.2021 | Ninja | 42 |
| 11.05.2021 | Ninja | 87 |
| 14.07.2020 | Ninja / Banhem | 35 / 3 |
| 22.07.2020 | Banhem | 7 |

***Instance 3: Scrip Name: Atul Ltd. (Trade Date: August 28, 2020)***

33. Interim Order has recorded that on the aforesaid scrip day, trades were executed from the trading account of Banhem, following a SSB trade pattern to front-run the trade of Anvil in the scrip of Atul Ltd. The details of the same are given below:

| Particulars | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Banhem | Sell | 2,598 | 9:16:24 | 10:15:12 | - | 6391.77 |
| Anvil | Sell | 16,655 | 9:18:28 | 10:25:41 | - | 6355.63 |
| Banhem | Buy | 2,598 | 9:19:03 | 10:22:33 | 89 | 6348.07 |

34. As per Interim Order, Anvil had placed sell order for 16,655 shares in the scrip of Atul Ltd. between 9:18:28 hours to 10:25:41 hours in the cash segment of the securities market on August 28, 2022. The sell order from the trading account of Banhem to front-run the trade of the Big Client was placed in the said scrip between 9:16:24 hours to 10:15:12 hours for 2,598 shares. Subsequently, buy order were placed in the said scrip from the aforesaid trading account to square off the first leg of the trade by placing buy order between 9:19:03 hours to 10:22:33 hours which matched with the Big Client order for 89% of the total quantity bought by the Banhem.

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35. In respect of the above, the Noticees have submitted that Banhem had executed the aforesaid trade as the volumes in the scrip had increased by 1.5 times from the previous trading day and the price of the scrip had also moved to a 52 week high.

36. The price-volume data of the scrip around 28.08.2020 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 01-Sep-20 | 5,805.00 | 6,074.00 | 5,734.00 | 5,780.45 | 5,949.70 | 6,443.45 | 62,298 | 12,595 |
| 31-Aug-20 | 6,221.00 | 6,399.00 | 5,550.00 | 6,219.80 | 5,780.45 | 6,443.45 | 1,24,810 | 25,298 |
| 28-Aug-20 | 6,355.00 | 6,443.45 | 6,059.75 | 6,261.15 | 6,219.80 | 6,443.45 | 1,45,466 | 27,009 |
| 27-Aug-20 | 5,895.00 | 6,360.00 | 5,895.00 | 5,897.20 | 6,261.15 | 6,360.00 | 98,227 | 14,277 |

37. I note from the aforesaid table that the volumes in the scrip increased from 98,227 shares on 27.08.2020 to 1,45,466 shares (48% increase) on 28.08.2020. Similarly, number of trades also rose from 14,277 on 27.08.2020 to 27,009 (89% increase) on 28.08.2020. I also note that the price of the scrip rose to a 52-week high till Rs. 6443.45 (3% high than previous day's closing price).

38. I note that the Interim Order has alleged that Ninja was involved in 4 instances of front-running in the scrip of Atul. In this regard, I note that the Noticees have submitted that Ninja was a regular trader in the scrip of Atul and it has traded in the scrip of Atul on 44 trading days other than the alleged instances during FY 2018 to 2021.

39. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of Atul Ltd., they have traded in various other scrips, which are tabulated below:

| Trade Day | Noticee | Trades in scrips other than the alleged Scrip on same trading day |
|---|---|---|
| 19.3.2020 | Ninja | 68 |
| 28.8.2020 | Ninja / Banhem | 64 / 1 |
| 24.9.2020 | Ninja | 62 |
| 1.4.2021 | Ninja | 36 |

***Instance 4: Scrip Name: Wockhardt Ltd. (Trade Date: May 11, 2020)***

40. I note from the records available that on the aforesaid scrip day, trades were executed from the trading account of Ninja, following a SSB trade pattern to front-run the trade of Anvil in the scrip of Wockhardt Ltd. The details of the same are given below:

| Entity | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Ninja | Sell | 16,000 | 14:54:32 | 15:02:03 | | 263.58 |
| Big Client | Sell | 2,20,000 | 14:58:17 | 15:24:05 | | 257.69 |
| Ninja | Buy | 16,000 | 15:13:24 | 15:13:35 | 47.69 | 255.33 |

41. I note from the aforesaid table that Anvil had placed sell order for 2,20,000 shares in the scrip of Wockhardt Ltd. between 14:58:17 hours to 15:24:05 hours in the cash segment of the securities market on May 11, 2020. The sell order from the trading account of Ninja to front-run the trade of the Big Client was placed in the said scrip between 14:54:32 hours to 15:02:03 hours for 16,000 shares. Subsequently, buy order were placed in the said scrip from the aforesaid trading account to square off the first leg of the trade by placing buy order between 15:13:24 hours to 15:13:35 hours which matched with the Big Client order for 47.69% of the total quantity bought by the Ninja.

42. In respect of the above, the Noticees have submitted that Ninja executed the aforesaid trade as the volume in the scrip had increased by 10 times from the previous trading day, and the price had also moved by about 5%.

43. The price-volume data of the scrip around 11.05.2020 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 13-May-20 | 250 | 251 | 235.8 | 244.5 | 238.5 | 413.45 | 5,73,802 | 10,424 |
| 12-May-20 | 256.85 | 256.85 | 244.35 | 257.2 | 244.5 | 413.45 | 6,85,650 | 9,631 |
| 11-May-20 | 257 | 266.05 | 249.05 | 253.4 | 257.2 | 413.45 | 23,91,721 | 28,656 |
| 08-May-20 | 257 | 259.6 | 251 | 254.55 | 253.4 | 418.95 | 2,23,261 | 4,839 |

44. I note from the aforesaid table that the volumes in the scrip increased from 2,23,261 shares on 08.05.2020 to 23,91,721 shares (971% increase) on 11.05.2020. Similarly, number of trades also rose from 4,839 on 08.05.2020 to

28,656 (492% increase) on 11.05.2020. I also note that the price of the scrip rose to Rs. 266.05 (4.99% high than previous day's closing price).

45. I note that as per the Investigation Report, Ninja was involved in 8 instances of front-running in the scrip of Wockhardt Ltd. In this regard, I note that the Noticees have submitted that Ninja was a regular trader in the scrip of Wockhardt Ltd and it has traded in the scrip of Wockhardt Ltd. on 75 trading days other than the alleged trading days during FY 2018 to 2023.

46. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of Wockhardt Ltd., they have traded in various other scrips, which are tabulated below:

| Trade Day | Noticee | Trades in scrips other than the alleged Scrip on same trading day |
|---|---|---|
| 09.07.2020 | Ninja | 46 |
| 10.07.2020 | Ninja / Banhem | 41 / 7 |
| 02.07.2020 | Ninja / Banhem | 47 / 9 |
| 14.05.2020 | Ninja / Banhem | 41 / 5 |
| 11.05.2020 | Ninja / Banhem | 29 / 1 |
| 01.07.2020 | Ninja | 110 |
| 13.05.2020 | Ninja / Banhem | 40 / 1 |
| 13.07.2020 | Ninja / Banhem | 38/ 3 |

***Instance 5: Scrip Name: AB Capital (Trade Date: November 01, 2021)***

47. I note from the records available that on the aforesaid scrip day, trades were executed from the trading account of Ninja, following a SSB trade pattern to front-run the trade of Anvil in the scrip of AB Capital. The details of the same are given below:

| Entity | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Ninja | Sell | 1,38,905 | 14:19:49 | 14:24:03 | | 101 |
| Big Client | Sell | 6,00,000 | 14:25:42 | 14:43:44 | | 98 |
| Ninja | Buy | 1,38,905 | 14:29:05 | 14:45:55 | 60.13 | 97.86 |

48. I note from the aforesaid table that Anvil had placed sell order for 6,00,000 shares in the scrip of AB Capital. between 14:25:42 hours to 14:43:44 hours in the cash segment of the securities market on November 01, 2021. The sell order from the trading account of Ninja to front-run the trade of the Big Client was placed in the said scrip between 14:19:49 hours to 14:24:03 hours for 1,38,905 shares. Subsequently, buy order were placed in the said scrip from

the aforesaid trading account to square off the first leg of the trade by placing buy order between 14:29:05 hours to 14:45:55 hours which matched with the Big Client order for 60.13% of the total quantity bought by the Ninja.

49. In respect of the above, the Noticees have submitted that Ninja executed the aforesaid trade as the volume in the scrip had gone up nearly 3 times from the previous day and the price had also moved higher, which made it very attractive for trading.

50. The price-volume data of the scrip around 01.11.2021 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 03-Nov-21 | 107 | 107.60 | 104.40 | 106.40 | 105.20 | 139.70 | 22,04,728 | 16,113 |
| 02-Nov-21 | 100.40 | 108.85 | 100.25 | 99.50 | 106.40 | 139.70 | 90,31,544 | 64,886 |
| 01-Nov-21 | 97.45 | 102.90 | 96.60 | 96.70 | 99.50 | 139.70 | 68,19,513 | 54,066 |
| 29-Oct-21 | 98.90 | 98.95 | 96.35 | 98.75 | 96.70 | 139.70 | 25,78,101 | 30,248 |

51. I note from the aforesaid table that the volumes in the scrip increased from 25,78,101 shares on 29.10.2021 to 68,19,513 shares (164% increase) on 01.11.2021. Similarly, number of trades also rose from 30,248 on 29.10.2021 to 54,066 (78% increase) on 01.11.2021. I also note that the price of the scrip rose to Rs. 102.90 (6.40% high than previous day's closing price).

52. I note that per the Investigation Report, Ninja was involved in 6 instances of front-running in the scrip of AB Capital. In this regard, I note that the Noticees have submitted that Ninja was a regular trader in the scrip of AB Capital and it has traded in the scrip of AB Capital on 155 trading days other than the alleged trading days during period 2018 to 2023.

53. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of AB Capital., they have traded in various other scrips, which are tabulated below:

| Trade Day | Noticee | Trades in scrips other than the alleged Scrip on same trading day |
|---|---|---|
| 01.11.2021 | Ninja | 30 |
| 27.01.2022 | Ninja | 48 |
| 22.02.2021 | Ninja | 43 |
| 11.05.2021 | Ninja | 88 |
| 25.03.2021 | Ninja | 60 |

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***Instance 6: Scrip Name: Bharat Forge (Trade Date: April 20, 2021)***

54. I note from the records available that on the aforesaid scrip day, trades were executed from the trading account of Ninja, following a BBS trade pattern to front-run the trade of Anvil in the scrip of Bharat Forge. The details of the same are given below:

| Entity | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Ninja | Buy | 25,100 | 9:31:39 | 9:39:55 | | 571.48 |
| Big Client | Buy | 3,25,000 | 9:40:23 | 10:16:22 | | 580.34 |
| Ninja | Sell | 25,100 | 10:08:40 | 10:20:30 | 100 | 579.99 |

55. I note from the aforesaid table that Anvil had placed buy order for 3,25,000 shares in the scrip of Bharat Forge between 09:40:23 hours to 10:16:22 hours in the cash segment of the securities market on April 20, 2021. The buy order from the trading account of Ninja to front-run the trade of the Big Client was placed in the said scrip between 09:31:39 hours to 09:39:55 hours for 25,100 shares. Subsequently, sell orders were placed in the said scrip from the aforesaid trading account to square off the first leg of the trade by placing buy order between 10:08:40 hours to 10:20:30 hours in which the matching % with the Big Client order was 100% of the total quantity bought by the Ninja**.**

56. In respect of the above, the Noticees have submitted that Ninja executed the aforesaid trade as the price had also moved by about 6%.

57. The price-volume data of the scrip around 20.04.2021 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 22-Apr-21 | 570 | 590.8 | 566.1 | 575.35 | 588.65 | 676.9 | 22,78,786 | 35,359 |
| 20-Apr-21 | 573.8 | 590.75 | 564 | 560.85 | 575.35 | 676.9 | 26,30,705 | 46,902 |
| 19-Apr-21 | 562 | 574.4 | 555.75 | 586.75 | 560.85 | 676.9 | 33,35,665 | 69,034 |

58. I note from the aforesaid table that the price of the scrip increased from Rs. 560.85 (previous day’s closing price) to a level of Rs. 590.75 (5.33% high than previous day’s closing price) and closed at Rs. 575.35 (2.5% high than previous day’s closing price).

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***Instance 7: Scrip Name: Bharat Forge (Trade Date: August 12, 2021)***

59. I note from the records available that on the aforesaid scrip day, trades were executed from the trading account of Ninja, following a SSB trade pattern to front-run the trade of Anvil in the scrip of Bharat Forge. The details of the same are given below:

| Entity | Buy/ Sell | Original Order Vol | Order Start Time | Order End Time | Match Vol % | Price (Rs.) |
|---|---|---|---|---|---|---|
| Ninja | Sell | 48,000 | 12:59:16 | 13:29:21 | | 831 |
| Big Client | Sell | 4,07,046 | 13:00:04 | 13:31:22 | | 825 |
| Ninja | Buy | 49,500 | 13:07:50 | 13:53:37 | 0% | 827 |

60. I note from the aforesaid table that Anvil had placed sell order for 4,07,046 shares in the scrip of Bharat Forge between 13:00:04 hours to 13:31:22 hours in the cash segment of the securities market on August 12, 2021. The sell order from the trading account of Ninja to front-run the trade of the Big Client was placed in the said scrip between 12:59:16 hours to 13:29:21 hours for 48,000 shares. Subsequently, buy order were placed in the said scrip from the aforesaid trading account to square off the first leg of the trade by placing buy order between 13:07:50 hours to 13:53:37 hours in which the matching % with the Big Client order was 0% of the total quantity bought by the Ninja.

61. In respect of the above, the Noticees have submitted that Ninja executed the aforesaid trade as the volume in the scrip was 6 times the previous day, and the price had increased substantially by about 10%, and the same had touched the 52 week high.

62. The price-volume data of the scrip around 12.08.2021 (as available from NSE website) is tabulated below:

| Trade Date | Open | High | Low | Prev. Close | Close | 52w H | Volume | No of trades |
|---|---|---|---|---|---|---|---|---|
| 13-Aug-21 | 833.7 | 835 | 814.7 | 827.5 | 819.7 | 844.8 | 34,70,286 | 60,168 |
| 12-Aug-21 | 787 | 844.8 | 775.05 | 782.7 | 827.5 | 844.8 | 1,57,55,004 | 2,71,903 |
| 11-Aug-21 | 751.1 | 786 | 746.7 | 750.8 | 782.7 | 832 | 24,35,357 | 73,409 |

63. I note from the aforesaid table that the volumes in the scrip increased from 24,35,357 shares on 11.08.2021 to 1,57,55,004 shares (546% increase) on 12.08.2021. Similarly, number of trades also rose from 73,409 on 11.08.2021 to 2,71,903 (270% increase) on 12.08.2021. I also note that the price of the

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scrip touched to a 52-week high at Rs. 844.80 (7.93% high than previous day's closing price).

64. I note that per the Investigation Report, Ninja was involved in 9 instances of front-running in the scrip of Bharat Forge. In this regard, I note that the Noticees have submitted that Ninja was a regular trader in the scrip of Bharat Forge and it has traded in the scrip of Bharat Forge on 3 trading days other than the alleged trading days during FY 2020 to 2021.

65. Noticees have further submitted that on the trading days wherein they have been alleged to have front-run the trades of Big Client in the scrip of Bharat Forge., they have traded in various other scrips, which are tabulated below:

| Trade Day | Noticee | Trades in scrips other than the alleged Scrip on same trading day |
|---|---|---|
| 12.08.2021 | Ninja | 50 |
| 17.04.2020 | Banhem | 7 |
| 22.04.2020 | Ninja / Banhem | 162 / 31 |
| 30.04.2020 | Banhem | 4 |
| 09.06.2020 | Ninja | 84 |
| 22.06.2020 | Ninja / Banhem | 120 / 12 |
| 04.06.2021 | Ninja | 135 |
| 20.04.2021 | Ninja | 30 |
| 26.04.2021 | Ninja | 38 |
| 08.06.2020 | Ninja | 157 |

66. I have considered the explanations provided by the Noticees for executing trades in the seven instances cited above. The Noticees have contended that during the trading days when alleged front-running was observed in the accounts of Ninja and Banhem, Noticees 3 and 4 had also traded substantially. They have further submitted that on many trading days during the Investigation Period, Ninja and Banhem had executed trades, other than the alleged front-running trades, in the same scrips. A table containing the comparison of trading pattern of Ninja and Banhem in various scrips during the Investigation Period is given below:

**Trades pertaining to Ninja**

| Sr. No. | Scrip | Total no. of times traded (A) | No. of instances of Front Running (B) | Difference (A-B) |
|---|---|---|---|---|
| 1 | Heritage Foods Limited | 164 | 5 | 159 |
| 2 | Dishman Carbogen Amcis Limited | 158 | 4 | 154 |

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| | | | | |
|---|---|---|---|---|
| 3 | Aditya Birla Capital Ltd | 115 | 6 | 109 |
| 4 | Thirumalai Chemicals Ltd | 98 | 2 | 96 |
| 5 | Astrazeneca Pharma India Ltd. | 91 | 14 | 77 |
| 6 | Chennai Petroleum Corporation Ltd. | 73 | 2 | 71 |
| 7 | Bayer Cropscience Ltd | 71 | 3 | 68 |
| 8 | Wockhardt Limited | 50 | 8 | 42 |
| 9 | Jsw Energy Limited | 40 | 3 | 37 |
| 10 | Grasim Industries Ltd | 23 | 2 | 21 |
| 11 | Tata Motors Limited | 22 | 1 | 21 |
| 12 | Eid Parry India Ltd | 20 | 2 | 18 |
| 13 | Cosmo Films Ltd | 28 | 11 | 17 |
| 14 | Gujarat Narmada Valley Fert.Co.Ltd | 23 | 6 | 17 |
| 15 | Supreme Petrochemicals Lt | 22 | 6 | 16 |
| 16 | Nava Bharat Ventures Limi | 18 | 4 | 14 |
| 17 | Deepak Nitrite Ltd | 18 | 7 | 11 |
| 18 | Atul Ltd | 12 | 4 | 8 |
| 19 | Polyplex Corporation Ltd | 13 | 7 | 6 |
| 20 | Alembic Pharma Ltd | 8 | 3 | 5 |
| 21 | Mrf Ltd | 5 | 1 | 4 |
| 22 | Suven Life Sciences Ltd. | 5 | 2 | 3 |
| 23 | Colgate Palmolive Ltd. | 11 | 9 | 2 |
| 24 | Jsw Steel Limited | 9 | 7 | 2 |
| 25 | Bharat Forge Ltd | 10 | 9 | 1 |
| 26 | P&G Hygiene & Health Care | 5 | 4 | 1 |

**Trades pertaining to Banhem**

| **Sr. No.** | **Scrip** | **Total no. of times traded (A)** | **No. of instances of Front Running (B)** | **Difference (A-B)** |
|---|---|---|---|---|
| 1 | Wockhardt Limited | 12 | 6 | 6 |
| 2 | Polyplex Corporation Ltd | 9 | 4 | 5 |
| 3 | Astrazeneca Pharma Ind Lt | 5 | 1 | 4 |
| 4 | Jsw Energy Limited | 5 | 1 | 4 |
| 5 | Bharat Forge Ltd | 7 | 4 | 3 |
| 6 | Nava Bharat Ventures Limi | 4 | 1 | 3 |
| 7 | Supreme Petrochemicals Lt | 5 | 2 | 3 |
| 8 | Bayer Cropscience Ltd | 3 | 1 | 2 |
| 9 | Maruti Suzuki India Ltd. | 4 | 2 | 2 |
| 10 | Welspun India Ltd | 3 | 1 | 2 |
| 11 | Alembic Pharma Ltd | 4 | 3 | 1 |
| 12 | Atul Ltd | 3 | 2 | 1 |
| 13 | Cosmo Films Ltd | 7 | 6 | 1 |

67. The Noticees have further pointed out that on various instances, trades were executed by Ninja and Banhem in common scrip with Anvil on the same day,

however, no Front Running was alleged. They have further contended that if the information of impending orders of Big Client was available to them, they would have executed Front Running trades in such instances as well. The Noticees have also submitted that in various instances, the Noticees' trades matching to the Big Client have resulted in losses, as there were 36 instances wherein pattern of front-running of trades of Anvil was observed in the trades executed by Ninja and Banhem, but the Noticees incurred losses. Noticees have also pointed out that there were 245 common scrips, other than 183 mentioned above, in which Ninja, Banhem and Anvil had traded on same day, however, such instances were considered as front-running.

68. Having considered the explanations offered by the Noticees, I note that the trading pattern of Ninja and Banhem, as reflected in the seven instances cited above in this Order, clearly shows that in each instance of alleged front-running trade, the order for first leg of the intra-day trades (the front-running leg) was placed by Ninja / Banhem, just prior to the placement of the impending orders of Anvil or before the last tranche of the order of Anvil was placed. Similarly, the order for the second leg of the intra-day trade on most occasions was placed just prior to the closure of the order of Anvil was placed or immediately after the placement of the last tranche of the Anvil's order.

69. I note that the placement of orders by Banhem and Ninja in close proximity to the orders placed by Anvil exhibits patterns of Buy-Buy-Sell or Sell-Sell-Buy, which are typically seen in front-running cases. The aforesaid trading pattern, when seen with the timing of placement of orders of Anvil on both buy side and sell side on various trading days, strongly indicates that the orders placed by Banhem and Ninja prior to the impending orders of Anvil were not by chance or co-incidence but were designed to front-run the impending orders of Anvil. This can happen only when you have prior knowledge of the large impending orders and makes front-running profitable.

70. The Noticees have sought to justify the trading pattern of Banhem and Ninja in the abovementioned seven instances by contending that the trades alleged to be front-running trades were executed due to increase in traded volume and

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price in the concerned scrip on that particular trading day. However, merely increase in trading activity and price in a scrip does not, on its own, explain the trades executed by Banhem and Ninja in a particular fashion on repeated basis, which clearly betray signs of front-running due to proximity in order timings.

71. I note that though the Noticees have cited various factors in support of their submissions that the trades executed by Banhem and Ninja were in the normal course of business. In this regard, they have *inter alia* submitted that Banhem and Ninja were regular traders and they had also traded substantially in other scrips on the days when the alleged front-running trades were executed. Further, they have also contended that they had executed trades, other than the alleged front-running trades in the same scrip as the Big Client. However, I note that the trading pattern of Banhem and Ninja, as summarized in Tables under paragraph 16 above, present a picture that is at odds with their submission that the trades of Banhem and Ninja were in the normal course of investment business.

72. I note from Table under para 16 above that Ninja had executed trades on 643 scrip days in equity segment during the investigation period. Out of the same, they had executed trades on 257 scrip days in scrips common with the Big Client. The average gross traded value for such days was Rs.87.69 Lakh. It is further noted that on 643 scrip days (non-common scrip days), the average gross traded value of only Rs.4.78 Lakh. Similarly, in 501 scrip days wherein day trading was carried out by Ninja, the average gross traded valve was Rs.25.58 Lakh, whereas in 129 scrip days of day trading by Ninja when Big Client had commonly traded, the average gross traded value was Rs.149.84 Lakh. Similarly, big variance in average gross traded value is observed in respect of Ninja's trades in instances where it earned a positive square off difference of Re. 1 or more vis-à-vis- instances wherein Ninja is alleged to have front-run the trades of Big Client with a positive square off difference of Re. 1 or more. Similar pattern is observed in respect of the trades of Banhem.

73. The abovementioned trading pattern suggests that the average gross traded value of the trades of Ninja and Banhem was invariable higher for scrip days on which they are alleged to have front-run the trades of the Big Client. The

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same trading pattern does not appear to be normal and cannot be dismissed as mere coincidence. Such trading behavior further lends strength to the preponderance of probability that Banhem and Ninja had front-run the impending orders of Big Client, as alleged in the Interim Order.

74. Apart from the above, I also note that Noticees 3 and 4 also made larger profit on days of alleged front-running trades, as compared to other days. A summary of the trading profiles of Ninja and Banhem, as appearing in the Tables under para 16 above, is placed below:

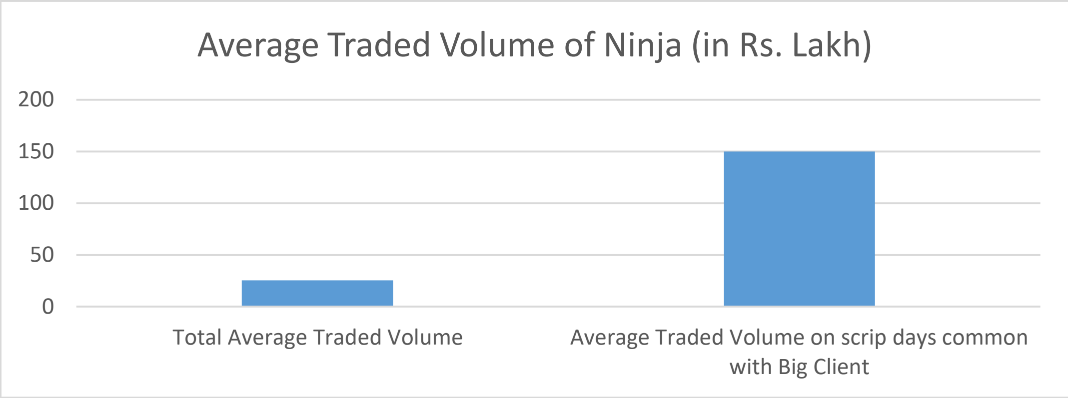
**Summary of Trading profile of Ninja**

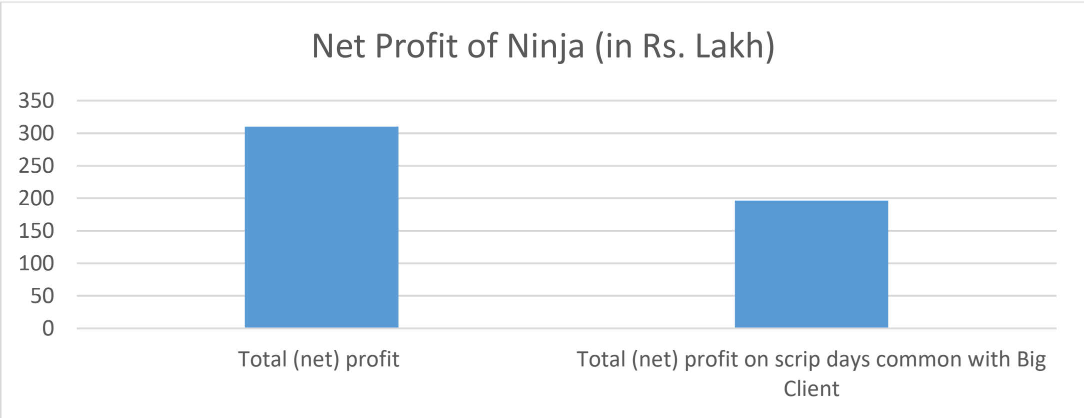
| S. N. | Dealing of Ninja in equity segment (day trading) during the IP | Value |
|---|---|---|
| 1 | Total Number of scrip days | 501 |
| 2 | Number of scrip days of (1) above common with Big Client | 129 |
| 3 | Total (net) profit (squared off) | Rs. 310.41 Lakh |
| 4 | Total (net) profit on scrip days common with Big Client (squared off) | Rs. 196.63 Lakh |
| 5 | Total (net) profit on other days (i.e. not common with Big Client) (3-4) | Rs.113.78 Lakh |
| 6 | % of profit earned on scrip days common with Big Client to Total Profit | 63.34% |

**Summary of Trading profile of Banhem**

| S. N. | Dealing of Banhem in equity segment (day trading) during the IP | Value |
|---|---|---|
| 1 | Total Number of scrip days | 159 |
| 2 | Number of scrip days of (1) above common with Big Client | 40 |
| 3 | Total (net) profit (squared off) | Rs. 33.37 Lakh |
| 4 | Total (net) profit on scrip days common with Big Client (squared off) | Rs. 27.43 Lakh |
| 5 | Total (net) profit on other days (i.e. not common with Big Client) (3-4) | Rs.5.94 Lakh |
| 6 | % of profit earned on scrip days common with Big Client to Total Profit | 82.19% |

75. It is noted from the table namely 'Summary of trading profile of Ninja' provided above that 63.34% of profits earned in day trading were earned on scrip days common with Big Client. Similarly, for Banhem, 82.19% of profits earned in day trading were earned on scrip days common with Big Client. A graphical representation of comparison of volumes and profits made by Ninja in Intra-day trades is placed below:




76. The trades of Noticees 3 and 4 which are alleged to be front-running trades could not have been executed in the normal course is further substantiated when their alleged front-running trades are compared with their overall trades and profits earned. For instance, it is noted from Table under para 16 above that in equity segment, Ninja had executed trades in 21,792 instances with a Gross Traded Value (GTV) of Rs.133,187.98 Lakh, Average Gross Traded Value (AGTV) of Rs.6.11 lakh and its profit earned on square-off (Profit) was Rs.438.98 Lakh. However, in 348 instances of alleged front-running (which accounted for less than 2% of total instances), Ninja had notched up GTV of Rs.30,586.06 Lakh (which accounted for 23% of overall GTV). For such trades, Ninja's AGTV was also Rs.87.89 Lakh (which was 14.38 times of overall AGTV) and Profit was Rs.220.83 Lakh, which was more than 50% of overall profits earned. The said trades resulted in large and out-sized gains to Ninja. Similar pattern has also been observed in case of Banhem's trades in equity segment.

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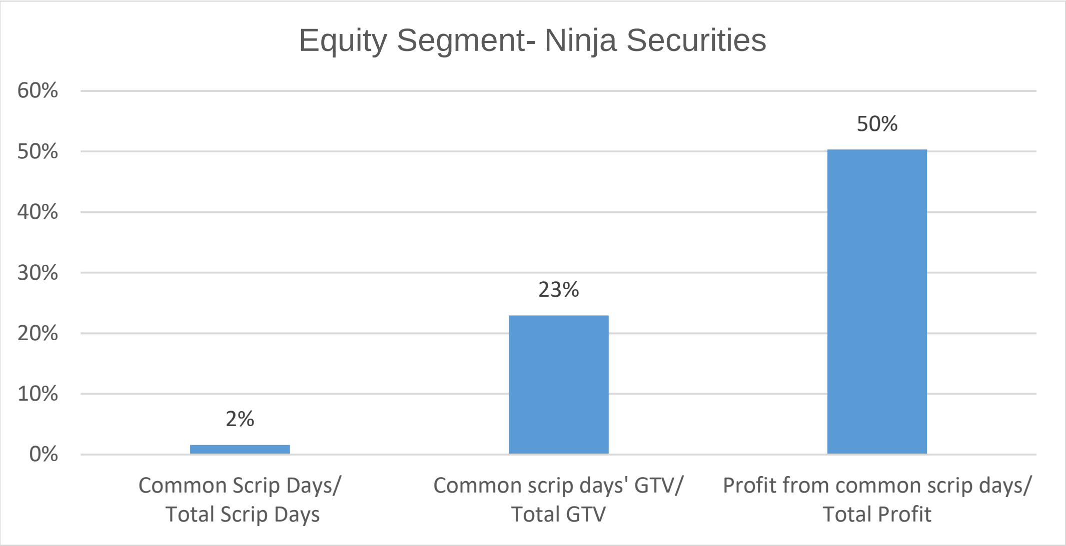
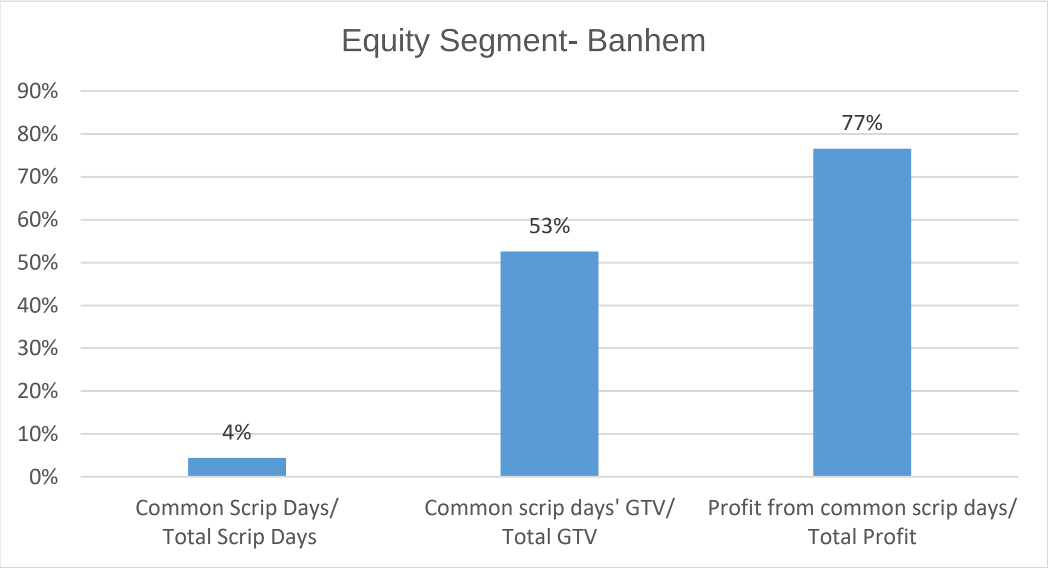
77. A graphical representation of the observations in the above para is provided below.




78. Further, in the seven instances of alleged front-running analyzed above, it is seen that the first leg of buy (in buy-buy-sell) or sell (in sell-sell-buy) transaction of Noticees 3 and 4 was a small percentage of the large order of the Big Client, which never exceeded 20% of the Big Client's order size. However, the matched volume of Noticees 3 and 4 with that of the Big Client in the third leg of the transaction exceeded 50% in most of the cases. Had the initial order been of a size as big as the order of Big Client, the third leg of the transaction would not have yielded such out-sized gain to Noticees 3 and 4. These observations further strengthen the inference that the trades of Noticees 3 and 4 were

buoyed by a sense of assured profitability on account of knowledge of impending orders of the Big Client.

79. From the trading patterns and profit earned on days of alleged front-running, it is apparent that Manish Mehta (Noticee 2), as a trader, entered into intra-day transactions from trading accounts of Ninja and Banhem, confident in the knowledge that large buy or sell orders from Big Client were coming right after his orders, which would enable him to make assured profits.

80. In view of the abovementioned facts and observations, I am not inclined to accept the submissions of the Noticees. Accordingly, I find that the allegation of front-running of trades of Big Client by the Noticees 3 and 4 in violation of provisions of the SEBI Act, 1992 and PFUTP Regulations, 2003, as alleged in the Interim Order, stand established.

81. I note that Noticee 1 has attempted to show that Noticees 2, 3 and 4 could have obtained the non-public information from any other person, since Noticee1's place of work was not secluded and was accessible to other employees. However, in my view, the said proposition cannot be accepted, since there is a clear connection between Noticee 1 and Noticee 2 through financial transactions and personal communications and they have not been able to show as to why any other person would have passed non-public information to Noticee 2. Accordingly, I find that the allegation that Noticee 1 had passed on non-public information to Noticee 2 stands established. I thus find that Noticee 1 has violated the provisions of SEBI Act, 1992 and PFUTP Regulations, 2003, as alleged in the Interim Order. Further, as Noticee 2 had used the said non-public information to front-run the trades of Big Client through the trading accounts of Noticees 3 and 4, the allegations against Noticee 2, as mentioned in the Interim Order, stand established.

82. As regards Noticees 5 and 6, I note that they are family members of Noticee 2. I further note that though they were directors of Noticees 3 and 4, Interim Order has not brought out any role whatsoever played by them in the front-running trades. Further, Noticee 2 had admitted that he had taken all the trading

decisions for Noticees 3 and 4. Therefore, I am not inclined to proceed against Noticees 5 and 6.

83. It is noted that the violations committed by Noticees 1 to 4 are serious in nature and make them liable for imposition of monetary penalty under Section 15HA of the SEBI Act, 1992, apart from regulatory directions for debarment. I note that while imposing penalty under Section 15HA of SEBI Act, 1992 the factors enumerated in Section 15J are to be taken into consideration. Section 15J of the SEBI Act, 1992 provides as under:

*"Factors to be taken into account while adjudging quantum of penalty.*
*15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely:*
*(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
*(b) the amount of loss caused to an investor or group of investors as a result of the default;*
*(c) the repetitive nature of the default.*
*Explanation. —*
*For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."*

84. The above factors have been kept in mind while deciding the monetary penalty imposed on Noticees 1 to 4.

**Order**

85. In view of the above, I, in exercise of powers under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15HA of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992 and Rule 5 of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, hereby issue the following directions:

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(a) Noticees 1 to 4 are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for period as mentioned in the table below:

| NOTICEE NO. | NOTICEE | PERIOD |
|---|---|---|
| 1. | Kaushal Chandarana | 1 YEAR |
| 2. | Manish Mehta | 3 YEARS |
| 3. | Banhem Stock Broking Pvt. Ltd. | 2 YEARS |
| 4. | Ninja Securities Pvt. Ltd. | 3 YEARS |

(b) The following Noticees are directed to disgorge the amount, jointly and severally, as mentioned against their name in the table given below, along with simple interest at the rate of 12% per annum, calculated from the last date of front-run trades (i.e. September 30, 2022) till the date of actual payment, jointly and severally:

| **SL. NO.** | **TRADING ACCOUNT** | **NOTICEES LIABLE TO DISGORGE** | **WRONGFUL GAINS (IN INR)** |
|---|---|---|---|
| 1 | Ninja Securities Pvt. Ltd. | Ninja Securities Pvt. Ltd., Mr. Kaushal Chandarana and Mr. Manish Mehta. | 2,04,83,412 |
| 2 | Banhem Stock Broking Pvt. Ltd. | Banhem Stock Broking Pvt. Ltd., Mr. Kaushal Chandarana and Mr. Manish Mehta | 18,63,438 |
| **Total** | | | **2,23,46,850** |

(c) The Noticees are permitted to utilize the amount of Rs 1,12,00,000 already deposited by the Noticees in the escrow account, along with accrued interest, if any, for the purpose of disgorgement, as directed at para 85(b) above.

(d) The amount mentioned in the Table under para 85(b) above shall be remitted by the aforementioned Noticees to Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of the SEBI Act, 1992, within 45 (forty-five) days from the date of receipt of this Order. An intimation regarding the payment of said disgorgement amount directed to be paid herein, shall be sent to "The Division Chief, IVD-ID17, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051".

(e) Noticees 1 to 4 shall pay a monetary penalty, under Section 15HA of the SEBI Act, 1992, as indicated in the table below:

| NOTICEE NO. | NOTICEE | PENALTY |
|---|---|---|
| 1. | Kaushal Chandarana | Rs. 10,00,000 |
| 2. | Manish Mehta | Rs. 25,00,000 |
| 3. | Banhem Stock Broking Pvt. Ltd. | Rs. 10,00,000 |
| 4. | Ninja Securities Pvt. Ltd. | Rs. 25,00,000 |

(f) Noticees 1 to 4 shall pay the respective penalty imposed on them within a period of forty-five (45) days from the date of receipt of this order. In case of their failure to do so, simple interest at the rate of 12% per annum shall be applicable from the expiry of the said 45 days till the date of actual payment.

(g) Noticees 1 to 4 shall pay the monetary penalty by online payment through following path on the SEBI website: www.sebi.gov.in/ENFORCEMENT → Orders → Orders of Chairman / Members → Click on PAY NOW. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.

(h) Noticees 1 to 4 shall forward details of the online payment made in compliance with the directions contained in this Order to the Division Chief, IVD-ID17, SEBI, SEBI Bhavan II, Plot no. C - 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e - mail id: - tad@sebi.gov.in in the format as given in table below:

| | |
|---|---|
| *1.* CASE NAME: | |
| *2.* NAME OF THE PAYEE: | |
| *3.* DATE OF PAYMENT: | |
| *4.* AMOUNT PAID: | |
| *5.* TRANSACTION NO: | |
| *6.* BANK DETAILS IN WHICH PAYMENT IS MADE: | |
| *7.* PAYMENT IS MADE FOR: | PENALTY |

86. The directions issued vide the Interim Order cum SCN against Noticees 5 and 6 are hereby revoked and the proceedings against them are disposed of without any further directions.

87. This order shall come into force with immediate effect.

88. A copy of this Order shall be served on the Noticees. A copy of this Order shall be forwarded to the Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance.

**Place: Mumbai**

**Date: March 21, 2024**

**ASHWANI BHATIA**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

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