

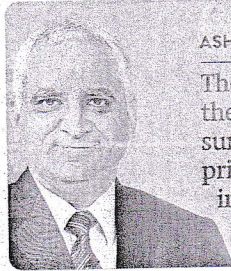
Sebi suspends trading in Bharat Global on financial irregularities

AKSHATA GORDE
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SEBI ON MONDAY suspended trading in Bharat Global Developers for alleged financial misrepresentation, misleading disclosures, price manipulation and offloading shares at inflated prices.

The regulator has barred 17 individuals, including the managing director, chief executive officer and board members from participating in the securities market until further orders. The compliance officer has been prohibited from associating with any listed entity.

Sebi, in its interim order, has also frozen illegal profits of ₹271.5 crore made by preferential allottees through sale of shares. Sebi's action follows complaints and social media posts last week alleging suspicious



ASHWANI BHATIA, SEBI'S WHOLE TIME MEMBER

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financial practices by the firm. The regulator plans to conduct a detailed investigation, which is expected to conclude within this financial year.

According to Sebi's order, Bharat Global Developers inflated its market capitalisation to ₹12,520 crore by creating "paper wealth" without genuine economic activity or production of goods and services. The

firm fabricated claims of business expansion, misrepresented technological & engineering expertise and falsely reported high-value orders from reputed companies such as Reliance Industries and UPL.

"The shocking falsities peddled by the company as legally mandated disclosures to the exchange lay bare a prima facie devious artifice

involving systematic execution of a well-planned fraudulent scheme," Sebi's whole time member Ashwani Bhatia said in the interim order.

These false disclosures fuelled an over 10,000% surge in the company's stock price over the past year, climbing from ₹16.14 in November 2023 to ₹1,703 in November 2024.

"The sheer scale of the apparent fraud is staggering, as well as the way it has been achieved in about 12 months. Clearly, the intent of the management appears to have been to mislead investors," the order said.

Sebi examined the matter to determine whether the company violated securities laws, including the Sebi Act, Prohibition of Fraudulent and Unfair Trade Practices Regulations and Listing Obligations and Disclosure Requirements Regulations.