BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: Order/VV/PS/2022-23/25496]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

In respect of:

Torner Tie Up Private Limited
PAN: AABCT0191K

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1. Securities and Exchange Board of India (**SEBI**) has initiated Adjudication Proceedings against Torner Tie Up Private Limited (hereinafter referred to as "**Noticee**"/"**Torner**"), under SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") for allegedly violating Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"), in the matter of trading in illiquid stock options at Bombay Stock Exchange Ltd. (hereinafter referred to as "**BSE**").

2. SEBI had conducted an investigation into large scale reversal of trades in Stock Options segment of the BSE during the period of April 01, 2014 to September 30, 2015. Pursuant to investigation, it was observed that during the investigation period, Sital Mercantile Pvt Ltd (AAECS0398A) ("***Sital"***) had indulged in reversal trades, which allegedly created false and misleading appearance of trading thereby generated artificial volumes in the Stock Options Segment of BSE during the investigation period. The trades entered in the unique contracts were reversed on the same day with same counterparties, at a price difference which had no underlying basis and without an intention of performing it or there being a change of ownership/rights in the contracts. These factors indicate that these trades were allegedly artificial and non- genuine in nature. In the above facts and circumstances, it was alleged by SEBI that Sital by indulging in execution of non-genuine reversal trades in Stock Options, created false and misleading appearance of trading in securities market and thereby, violated

provisions of Regulation 3(a), (b), (c), (d) and 4(1) and 4(2)(a) of the PFUTP Regulations.

3. In this connection, the undersigned was appointed as Adjudicating Officer under Section 15-I of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to inquire into and adjudge under Rule 5 of the Adjudication Rules, the alleged violations by the Sital and, accordingly, show cause notice dated August 4, 2022 was issued to Sital. Vide email dated December 23, 2022, Noticee Torner informed the Undersigned that Sital had amalgamated with the Noticee Company Torner with effect from April 1, 2019. In this regard, copy of amalgamation order is available on record. Vide the said email, Torner requested that a new notice may be issued in the name of Torner so that they can make the required payment under the Settlement Scheme, 2022.

4. Accordingly, new proceedings were initiated and show cause notice dated January 12, 2023 was issued in the name of the Noticee Torner. The said notice was served on the email id of Torner on January 13, 2023 at 10:35 AM. In response to the said email, vide email dated January 20, 2023, Torner informed the Undersigned that it has paid the settlement amount using PAN of Sital. I note from the records that Noticee has made payment of settlement amount under the Settlement Scheme, 2022 on January 13, 2023 at around 07:25 PM. The said payment of settlement amount has been made in the proceedings initiated in the name of Sital and the same has been confirmed from the Settlement Order dated March 08, 2023 issued in the matter of settlement applications filed under the SEBI Settlement Scheme – 2022.

5. In view of the above, I note that the present SCN issued to Torner becomes infructuous considering that the Noticee has settled the matter under the Settlement Scheme 2022.

6. After taking into consideration the aforesaid facts and circumstances, the Adjudication Proceedings initiated against Noticee vide SCN dated January 12, 2023, are disposed of without going into the merits of the case.

7. In terms of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticee's last known email id.

Date: March 31, 2023 **Vijayant Kumar Verma**

Place: Mumbai **Adjudicating Officer**