BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/UR/2022-23/20643-20647]

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) RULES, 1995.

In respect of

S. No.	Noticee Name	PAN
1.	Raj Prakash Harish Patel	AACPP8227A
2.	Kapila Rajprakash Patel	AAJPP9268L
3.	Sharekhan Limited	AAECS5096H
4.	MSD Associates	AAVFM1193R
5.	Pashupati Capital Services Ltd.	AACCP0795J

In the matter of Bank of Baroda.

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted investigation in the scrip of Bank of Baroda (hereinafter referred to as "**BOB**") between the period from October 01, 2014 to June 30, 2015 (hereinafter referred to as "**Investigation Period/IP**"), to ascertain whether there was any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').

2. Based on the findings of the investigation, it was alleged that Raj Prakash Harish Patel (hereinafter referred to as '**Noticee 1'**), Kapila Rajprakash Patel (hereinafter referred to as '**Noticee 2'**), Sharekhan Limited (hereinafter referred to as '**Noticee 3'**), MSD Associates (hereinafter referred to as '**Noticee 4'**), Pashupati Capital Services Ltd (hereinafter referred to as '**Noticee 5'**) (hereinafter collectively referred to as "**Noticees**") had violated Section 12A(a),

(b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d), 4(1) and 4 (2)(a) of PFUTP Regulations.

3. Upon analysis in the scrip BANKBARODA option contract- PE it was alleged Noticee 1 and Noticee 2 had 100% of their activity in PUT options in the scrip BANKBARODA options segment, of which trading in Deep in the Money contracts accounted for more than 70-80% of the total activity. Further it was alleged that there was significant matching of trades between Noticee 1 and Noticee 2 with Noticee 3, Noticee 4 and Noticee 5 in the shortlisted contracts and they were observed to be selling Deep in the money contracts and squaring off just before the expiry date by taking a long i.e. reverse position with almost the same set of clients and were alleged to have violated the provisions of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO"**) under Sub-section 1 of Section 15-I of SEBI Act, 1992 read with Section 19 of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') conveyed vide communique dated September 28, 2021 to inquire into and adjudge under the aforesaid alleged violations against the Noticees, and if satisfied that the Noticees are liable, impose such penalty as it deems fit in terms of Rule 5 of Adjudication Rules and Section 15HA of the SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A common Show Cause Notice (hereinafter referred to as "**SCN**") dated December 28, 2021 bearing reference no. SEBI/EAD3/BM/UR/38658, 38659, 38661, 38665, 38668/2021 was issued to the Noticees under 4(1) of the Adjudication rules read with section 15-I of the SEBI Act to show cause as to why an inquiry should not be initiated against them and penalty if any, not be imposed upon them for the aforesaid violations alleged to have been committed by them.

6. The allegations levelled against the Noticees in the SCN are mentioned hereunder:

a. Bank of Baroda is listed on BSE and NSE. It was observed that Noticee 1 and Noticee 2 were related based on same address, contact number and Email-id, which is as follows:

Table 1: Connection between Noticee 1 and Noticee 2

Client Name	**PAN**	**Trading Members**	**Address, E-Mail Id and Mobile (UCC)**
Noticee 1	AACPP8227A	Intima Equities Ltd, Geojit Financial Services Ltd, Nirmal Bang Securities Pvt. Ltd., Kisan Ratilal Choksey Shares And Securities Private Ltd, Rajvl Stock Braking Private Ltd	Krishna Kunj Bldg Flat 15 4th Floor Rambaug, Opp Manlnagar Police Station, Ahmedabad,11,380008 9898993290 rajprakashpatel@gmail.com
Noticee 2	AAJPP9268L	Intime Equities Ltd, Geojit Financial Services Ltd, Nirmal Bang Securities Pvt. Ltd, Kisan Ratilal Choksey Shares And Securities Private Ltd, Rajvi Stock Broking Private Ltd	Krishna Kunj Bldg Flat 15 4th Floor Rambaug, Opp Maninagar Police Station, Ahmedabad, 11, 380008 9898993290 rajprakashpatel@gmall.com

b. It was observed Noticee 1 and Noticee 2 had traded in mostly illiquid options compared to the generally liquid **BANKBARODA - PUT** options market.

c. The details of the top 10 most liquid BANKBARODA - PUT Options during the IP is given below:

Table 2:_Top 10 most liquid BANKBARODA - PUT Options

Expiry Date	Strike Price	Total Traded Quantity
28/05/2015	150	1,60,60,000.00
28/05/2015	160	1,60,06,250.00
28/05/2015	140	1,02,36,250.00
28/05/2015	155	79,36,250.00
28/05/2015	145	60,77,500.00
26/02/2015	180	56,48,750.00
26/03/2015	180	54,65,000.00
30/04/2015	170	51,70,000.00
25/06/2015	140	46,81,250.00
25/06/2015	150	44,43,750.00

d. It was observed that Noticee 1 and Noticee 2 had traded in following option contracts (which were majorly illiquid), during the IP, the total traded quantity of which is as following:

Table 3: Total trades of Noticee 1 and Noticee 2 in BANKBARODA - PUT Options

Expiry	Strike Price	Total Quantity Traded during IP
30-Oct-2014	940.00	15,000.00
30-Oct-2014	1,000.00	3,000.00
30-Oct-2014	1,040.00	500
30-Oct-2014	1,080.00	500
27-Nov-2014	940.00	8,96,500
27-Nov-2014	1,020.00	10,35,250
27-Nov-2014	1,060.00	1,89,000
27-Nov-2014	1,080.00	8,250
24-Dec-2014	1,020.00	9,11,250
24-Dec-2014	1,040.00	11,37,750
24-Dec-2014	1,060.00	13,32,250
24-Dec-2014	1,180.00	4,000
24-Dec-2014	1,200.00	1,000
24-Dec-2014	1,220.00	5,250
24-Dec-2014	1,240.00	7,500
24-Dec-2014	1,260.00	2,000
24-Dec-2014	1,280.00	5,500
29-Jan-2015	245.00	7,500
29-Jan-2015	248.00	28,750

Expiry	Strike Price	Total Quantity Traded during IP
29-Jan-2015	252.00	63,750
29-Jan-2015	256.00	10,000
26-Feb-2015	252.00	2,05,000
26-Feb-2015	256.00	10,000
26-Mar-2015	228.00	5,000
26-Mar-2015	232.00	2,25,000
30-Apr-2015	230.00	35,000
30-Apr-2015	235.00	1,92,500
28-May-2015	235.00	1,92,500
25-Jun-2015	235.00	62,500
Total		65,92,000

e. **Trading by Noticee 1 and Noticee 2 and analysis of the Counterparties:**

i. The trading activities of the Noticee 1 & Noticee 2 and the counterparties to their trades during the IP was perused.

ii. The counterparties to the total trades executed by Noticee 1 and Noticee 2 is as follows:

Table 4: Noticee 1 and Noticee 2 as buyers

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Buy Volume	% of total buy	Number of trades	Buy Volume	% of total buy
PASHUPATI CAPITAL SERVICES PVT LTD	112	236750	62.10%	46	87750	48.41%
MSD ASSOCIATES	21	37500	9.84%	17	33500	18.48%
NIRSHILP SECURITIES PVT LTD	19	29250	7.67%	5	12000	6.62%
SHAREKHAN LIMITED	17	27750	7.28%	19	24250	13.38%
ADROIT FINANCIAL SERVICES PVT LTD	14	22250	5.84%	5	4500	2.48%
SVS SECURITIES PVT. LTD	7	7750	2.03%	3	3750	2.07%
NIRPAN SECURITIES PVT. LTD.	4	6750	1.77%	1	500	0.28%
SOCIETE GENERALE	5	2000	0.52%	1	250	0.14%
INTERACTIVE BROKERS (INDIA) PVT LTD	6	1750	0.46%	1	500	0.28%
GRAVITON RESEARCH CAPITAL LLP	5	1500	0.39%	1	250	0.14%
CNB FINWIZ PRIVATE LIMITED	4	1500	0.39%	6	6750	3.72%
SILVER STREAM EQUITIES PVT. LTD.	1	1250	0.33%	2	2500	1.38%
KHANDWALA TRADELINK CO	1	1250	0.33%	1	2500	1.38%
CPR CAPITAL SERVICES LTD	3	1000	0.26%	1		
PACE STOCK BROKING SERVICES PVT LTD	3	750	0.20%	1		
KREDENT BROKERAGE SERVICES LTD	2	750	0.20%	2	1000	0.55%
SUBBARAO PREMKUMAR	1	250	0.07%	1		
BONANZA PORTFOLIO LTD	1	250	0.07%	1		
SHARE INDIA SECURITIES LTD	1	250	0.07%	1		

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Buy Volume	% of total buy	Number of trades	Buy Volume	% of total buy
GLOBE DERIVATIVES AND SECURITIES LTD	1	250	0.07%	1		
RATHOD JANAKKUMAR R	1	250	0.07%	1		
N.K.SECURITIES	1	250	0.07%			
OPG SECURITIES PVT. LTD.				1	500	0.28%
AUSTIN MANOHAR GONSALVES				1	250	0.14%
JYOTI PORTFOLIO LTD				1	250	0.14%
DIVYA PORTFOLIO PRIVATE LIMITED				1	250	0.14%
Grand Total	**230**	**381250**	**100.00%**			

Table 5: Noticee 1 and Noticee 2 as sellers

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Sell Volume	% of total sell	Numbe r of trades	Sell Volume	% of total sell
PASHUPATI CAPITAL SERVICES PVT LTD	67	178000	53.09%	34	74250	46.33 %
SHAREKHAN LIMITED	43	64750	19.31%	21	30000	18.72 %
INTERACTIVE BROKERS (INDIA) PVT LTD	24	48250	14.39%	5	10750	6.71%
MSD ASSOCIATES	15	16500	4.92%	23	32000	19.97 %
NIRSHILP SECURITIES PVT LTD	20	11750	3.50%	7	3750	2.34%
ADROIT FINANCIAL SERVICES PVT LTD	4	5500	1.64%	3	4000	2.50%
SVS SECURITIES PVT. LTD	7	3750	1.12%	1	1250	0.78%
KREDENT BROKERAGE SERVICES LTD	4	2500	0.75%	3	1250	0.78%
NIRPAN SECURITIES PVT. LTD.	2	1500	0.45%	4	1000	0.62%
OPG SECURITIES PVT. LTD.	6	1500	0.45%	1	500	0.31%
SILVER STREAM EQUITIES PVT. LTD.	2	500	0.15%			
PACE STOCK BROKING SERVICES PVT LTD	1	500	0.15%			
JYOTI PORTFOLIO LTD	1	250	0.07%			
KHANDWALA TRADELINK CO				1	1250	0.78%
PARWATI CAPITAL MARKET PVT LTD				1	250	0.16%
Grand Total	**196**	**335250**	**100.00%**	**104**	**160250**	**100.00 %**

It was observed majority of the counterparties for Noticee 1 and Noticee 2 were Noticee 5, Noticee 4 and Noticee 3 constituting more than 79% in buy trades and 77% in sell trades.

iii. Total trades of Noticee 1 and Noticee 2 were analyzed and it was observed that during the IP, Noticee 1 bought 24 option contracts and sold 22 option contracts in the scrip. Noticee 2 bought 18 option contracts and sold 16 option contracts in the scrip.

iv. The analysis of trading in deep-in the money contracts was done and 20% deep in the money has been taken as cut off. The analysis of contracts where % diff >20 is as under

Table 6: Noticee 1 as a buyer

Expiry Date	Strike Price	ITM trades*		Non- ITM Trades*		Total Trades	
		No.	Qty	No.	Qty	No.	Qty
30/10/2014	940.00			3	1500	3	1500
30/10/2014	1,000.00			1	1000	1	1000
30/10/2014	1,040.00			1	500	1	500
27/11/2014	940.00			2	500	2	500
27/11/2014	1,020.00			4	1000	4	1000
27/11/2014	1,060.00			7	2000	7	2000
27/11/2014	1,080.00			5	2000	5	2000
24/12/2014	1,020.00			6	2000	6	2000
24/12/2014	1,060.00			12	4000	12	4000
24/12/2014	1,180.00			4	1500	4	1500
24/12/2014	1,200.00			1	500	1	500
24/12/2014	1,220.00			5	2500	5	2500
24/12/2014	1,240.00			4	2000	4	2000
24/12/2014	1,280.00	2	1500			2	1500
29/01/2015	245.00			1	3750	1	3750
29/01/2015	248.00			9	22500	9	22500
29/01/2015	252.00			17	30000	17	30000
29/01/2015	256.00			2	2500	2	2500
26/02/2015	252.00	40	75000			40	75000
26/02/2015	256.00	1	5000			1	5000
26/03/2015	232.00	41	80000			41	80000
30/04/2015	235.00	34	70000			34	70000
28/05/2015	235.00	18	50000			18	50000
25/06/2015	235.00	10	20000			10	20000
Grand Total	**24**	**146**	**301500**	**84**	**79750**	**230**	**381250**

* For purpose of analysis, these contracts were classified into **In the money** (hereinafter referred to as '**ITM**') and non ITM.

Table 7: Noticee 1 as a Seller

Expiry Date	Strike Price	ITM trades		Non- ITM Trades		Total Trades	
		No.	Qty	No.	Qty	No.	Qty
30/10/2014	1,000.00			1	1000	1	1000
27/11/2014	940.00			1	500	1	500
27/11/2014	1,020.00			1	1000	1	1000
27/11/2014	1,060.00			3	2000	3	2000
27/11/2014	1,080.00			3	2000	3	2000
24/12/2014	1,020.00			5	2000	5	2000
24/12/2014	1,060.00			9	4000	9	4000
24/12/2014	1,180.00			3	1500	3	1500
24/12/2014	1,200.00			2	500	2	500
24/12/2014	1,220.00			6	2500	6	2500
24/12/2014	1,240.00			6	2000	6	2000
24/12/2014	1,280.00			4	1500	4	1500
29/01/2015	245.00			3	3750	3	3750
29/01/2015	1,240.00			10	4500	10	4500
29/01/2015	1,260.00	1	1000	12	5000	13	6000
29/01/2015	1,280.00	2	500			2	500
26/02/2015	252.00			26	75000	26	75000
26/02/2015	256.00			1	5000	1	5000
26/03/2015	232.00	29	80000			29	80000
30/04/2015	235.00	32	70000			32	70000
28/05/2015	235.00	24	50000			24	50000
25/06/2015	235.00	12	20000			12	20000
Grand Total	**22**	**100**	**221500**	**96**	**113750**	**196**	**335250**

Table 8: Noticee 2 as a buyer

Expiry Date	Strike Price	ITM trades		Non- ITM Trades		Total Trades	
		No.	Qty	No.	Qty	No.	Qty
30-Oct-2014	940.00			1	500	1	500
30-Oct-2014	1,080.00			1	500	1	500
27-Nov-2014	940.00			2	500	2	500
27-Nov-2014	1,060.00			2	500	2	500
24-Dec-2014	1,040.00			3	1000	3	1000
24-Dec-2014	1,060.00			2	1000	2	1000
24-Dec-2014	1,240.00			5	1500	5	1500
24-Dec-2014	1,260.00			1	1000	1	1000
24-Dec-2014	1,280.00	2	1000			2	1000

Expiry Date	Strike Price	ITM trades		Non- ITM Trades		Total Trades	
		No.	Qty	No.	Qty	No.	Qty
29-Jan-2015	252.00			11	17500	11	17500
29-Jan-2015	256.00			3	7500	3	7500
26-Feb-2015	252.00	20	27500			20	27500
26-Mar-2015	228.00	2	2500			2	2500
26-Mar-2015	232.00	15	27500			15	27500
30-Apr-2015	230.00	9	12500			9	12500
30-Apr-2015	235.00	13	26250			13	26250
28-May-2015	235.00	16	41250			16	41250
25-Jun-2015	235.00	6	11250			6	11250
Grand Total	**18**	**83**	**149750**	**31**	**31500**	**114**	**181250**

Table 9: Noticee 2 as a Seller

Expiry Date	Strike Price	ITM trades		Non- ITM Trades		Total Trades	
		No.	Qty	No.	Qty	No.	Qty
27-Nov-2014	940.00			1	500	1	500
27-Nov-2014	1,060.00			1	500	1	500
24-Dec-2014	1,040.00			4	1000	4	1000
24-Dec-2014	1,060.00			2	1000	2	1000
24-Dec-2014	1,240.00			3	1500	3	1500
24-Dec-2014	1,260.00	4	1000			4	1000
24-Dec-2014	1,280.00			2	1000	2	1000
29-Jan-2015	1,260.00			10	3500	10	3500
29-Jan-2015	1,280.00	2	1500			2	1500
26-Feb-2015	252.00			12	27500	12	27500
26-Mar-2015	228.00	1	2500			1	2500
26-Mar-2015	232.00	13	27500			13	27500
30-Apr-2015	230.00	9	12500			9	12500
30-Apr-2015	235.00	11	26250			11	26250
28-May-2015	235.00	22	41250			22	41250
25-Jun-2015	235.00	7	11250			7	11250
Grand Total	**16**	**69**	**123750**	**35**	**36500**	**104**	**160250**

It was observed that both Noticee 1 and Noticee 2 had majorly traded in deep in the money put options which constitutes 70-80% of their total contracts.

v. ITM trades of Noticee 1 and Noticee 2 were analyzed and it was observed that Noticee 1 and Noticee 2 had majorly traded in following ITM contracts:

Buy Expiry Date	Buy Strike Price	Sell Expiry Date	Sell Strike Price
26-Mar-15	232	26-Mar-15	232
30-Apr-15	235	30-Apr-15	235
28-May-15	235	28-May-15	235
25-Jun-15	235	25-Jun-15	235

vi. The analysis of the aforesaid 4 ITM contracts i.e. contribution of volume by Noticees, reversal of trades by the Noticees and price order matching of Noticee 1 & Noticee 2 with Noticee 3, Noticee 4 & Noticee 5 is as below;

vii. Expiry 26-Mar-15 (Strike Price – 232)

a) Analysis of contribution to volume

	As buyer		As Seller	
Name of the entities	Trade Quantity	% of total	Trade Quantity	% of total
RAJPRAKASH HARISH PATEL	**80000**	**35.56%**	**80000**	**35.56%**
PASHUPATI CAPITAL SERVICES PVT LTD	80000	35.56%	80000	35.56%
KAPILA RAJPRAKASH PATEL	**27500**	**12.22%**	**27500**	**12.22%**
SHAREKHAN LIMITED	16250	7.22%	16250	7.22%
MSD ASSOCIATES	10000	4.44%	12500	5.56%
PATEL HUF H RAJPRAKASH	5000	2.22%	5000	2.22%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1.11%	1250	0.56%
SVS SECURITIES PVT. LTD	2500	1.11%	2500	1.11%
KHANDWALA TRADELINK CO	1250	0.56%		
Grand Total	**225000**	**100.00%**	**225000**	**100.00%**

It was observed from the above table that only 9 entities traded in the contract and both Noticee 1 and Noticee 2 have contributed about 48% of both buy and sell volume.

b) Analysis of reversals by Noticee 1 and Noticee 2 in the contract

Entities	Counter parties	Buy	Sell
	MSD ASSOCIATES	8750	
	PASHUPATI CAPITAL SERVICES PVT LTD	65000	66250

RAJPRAKASH HARISH PATEL	SHAREKHAN LIMITED	6250	11250
	SVS SECURITIES PVT. LTD		
	Total	**80000**	**80000**
KAPILA RAJPRAKASH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	15000	13750
	SHAREKHAN LIMITED	6250	5000
	SVS SECURITIES PVT. LTD	2500	
	ADROIT FINANCIAL SERVICES PVT LTD		2500
	KHANDWALA TRADELINK CO		1250
	MSD ASSOCIATES	3750	5000
	Total	**27500**	**27500**

From the above table, it was observed that trade of around 89.06% in case of Noticee 1 and 68.18% in case of Noticee 2 is with the same entities.

c) Analysis of price order matching in case of reversal trades

- Noticee 1 with Noticee 5

➢ Reversal trade of noticee 1 with noticee 5 for selling 66250 units (1st leg)

Table 10

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/02/2015	11:24:31	11:24:31	11:24:31	52.2	52.2	52.2	2500	2500	5000
25/02/2015	11:18:10	11:18:10	11:18:10	52.15	52.15	52.15	2500	2500	5000
24/02/2015	15:10:32	15:10:32	15:10:32	53	53	53	2500	2500	5000
24/02/2015	15:08:30	15:08:30	15:08:30	53	53	53	2500	2500	5000
24/02/2015	15:08:00	15:08:00	15:08:00	53	53	53	2500	2500	5000
24/02/2015	15:07:37	15:07:37	15:07:37	53.05	53	53.05	2500	2500	5000
23/02/2015	14:41:50	14:41:50	14:41:50	46.5	46.5	46.5	5000	5000	5000
23/02/2015	14:48:34	14:48:34	14:48:34	47	47	47	5000	5000	5000
24/02/2015	15:03:09	15:03:09	15:03:09	53	53	53.1	1250	2500	5000
23/02/2015	15:03:50	15:03:50	15:03:50	47.2	47.2	47.2	5000	5000	5000
24/02/2015	14:58:48	14:58:48	14:58:48	53.3	53.25	53.3	2500	2500	5000
24/02/2015	14:56:18	14:56:18	14:56:18	53.2	53.2	53.2	2500	2500	5000
24/02/2015	14:19:08	14:19:08	14:19:08	52.4	52.4	52.4	2500	2500	5000
24/02/2015	14:17:26	14:17:26	14:17:26	52.75	52.75	52.75	2500	2500	5000
24/02/2015	13:53:34	13:53:34	13:53:34	50.3	50.3	50.35	5000	5000	5000
24/02/2015	13:40:28	13:40:28	13:40:28	51	51	51.05	2500	2500	5000
24/02/2015	13:36:33	13:36:33	13:36:33	51	51	51	2500	2500	5000
24/02/2015	13:23:14	13:23:14	13:23:14	52.5	52.5	52.5	2500	2500	5000
24/02/2015	12:31:22	12:31:22	12:31:22	53.4	53.4	53.45	2500	2500	5000

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/02/2015	13:08:03	13:08:03	13:08:03	54	54	54	2500	2500	5000
24/02/2015	13:09:45	13:09:45	13:09:45	54	54	54	2500	2500	5000
24/02/2015	13:10:45	13:10:45	13:10:45	54	54	54	2500	2500	5000
24/02/2015	13:15:50	13:15:50	13:15:50	53.9	53.9	53.9	2500	2500	5000

It was observed that, for all the trades, the time for both the Noticee 1 and Noticee 5 is same (Time difference is 0). Also, out of the 23 instances, the price is matching in 17 instances and in others (6 instances), the difference is only 0.05-0.1. It was also observed that the quantity entered by the Noticee was always less than the counterparty and the trades have been completed in all instances.

- Reversal trade of Noticee 1 with Noticee 5 for buying 65000 units (2nd leg)

Table 11

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	13:13:06	13:13:06	13:13:06	66.4	66.4	66.4	2500	2500	2500
25/03/2015	13:06:49	13:06:49	13:06:49	66.4	66.4	66.4	1250	3750	2500
25/03/2015	13:06:39	13:06:39	13:06:39	66.4	66.4	66.4	1250	5000	2500
25/03/2015	12:48:21	12:48:21	12:48:21	66.7	66.7	66.7	2500	7500	2500
25/03/2015	12:43:05	12:43:05	12:43:05	66.7	66.7	66.7	1250	8750	2500
25/03/2015	12:39:17	12:39:17	12:39:17	66.7	66.7	66.7	1250	10000	1250
25/03/2015	12:33:26	12:33:26	12:33:26	66.5	66.5	66.5	1250	10000	2500
25/03/2015	12:17:26	12:17:26	12:17:26	66.5	66.5	66.5	2500	10000	2500
25/03/2015	12:07:49	12:07:49	12:07:49	66.7	66.7	66.7	2500	10000	2500
25/03/2015	11:58:39	11:58:39	11:58:39	66.4	66.4	66.4	1250	10000	2500
25/03/2015	11:58:39	11:58:39	11:58:39	66.4	66.4	66.4	1250	10000	2500
24/03/2015	13:55:14	13:55:14	13:55:14	64.1	64.1	64.1	2500	10000	2500
24/03/2015	13:49:54	13:49:54	13:49:54	64.5	64.5	64.5	2500	10000	2500
24/03/2015	13:41:44	13:41:44	13:41:44	64.7	64.7	64.7	1250	10000	2500
24/03/2015	13:40:47	13:40:47	13:40:47	64.7	64.7	64.7	1250	10000	2500
24/03/2015	13:38:25	13:38:25	13:38:25	64.8	64.75	64.8	1250	10000	2500
24/03/2015	13:38:24	13:38:24	13:38:24	64.8	64.75	64.8	1250	10000	2500
24/03/2015	13:37:27	13:37:27	13:37:27	64.8	64.75	64.8	2500	10000	2500
24/03/2015	13:32:16	13:32:16	13:32:16	64.7	64.6	64.7	2500	10000	2500
24/03/2015	13:28:08	13:28:08	13:28:08	64.7	64.7	64.7	2500	10000	2500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/03/2015	13:27:26	13:27:26	13:27:26	64.7	64.7	64.7	1250	10000	1250
24/03/2015	13:08:55	13:08:55	13:08:55	64.15	64.15	64.15	2500	10000	2500
24/03/2015	13:07:54	13:07:54	13:07:54	64.2	64.2	64.2	2500	10000	2500
24/03/2015	12:56:58	12:56:58	12:56:58	64.4	64.4	64.4	1250	10000	1250
24/03/2015	12:52:54	12:52:54	12:52:54	64.35	64.35	64.35	1250	10000	2500
24/03/2015	12:49:30	12:49:30	12:49:30	64.4	64.35	64.4	2500	10000	2500
24/03/2015	12:46:33	12:46:33	12:46:33	64.4	64.4	64.4	2500	10000	2500
24/03/2015	12:44:00	12:44:00	12:44:00	64.3	64.25	64.3	2500	10000	2500
24/03/2015	12:37:11	12:37:11	12:37:11	64.05	64.05	64.05	2500	2500	2500
24/03/2015	12:35:11	12:35:11	12:35:11	64.15	64.15	64.15	2500	2500	2500
24/03/2015	12:31:03	12:31:03	12:31:03	64.3	64.3	64.3	2500	2500	2500
24/03/2015	12:27:03	12:27:03	12:27:03	64.5	64.5	64.5	2500	2500	2500
24/03/2015	12:26:10	12:26:10	12:26:10	64.6	64.6	64.6	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 1 and noticee 5 was same. Also, out of the 33 instances, the price was matching in 27 instances and in others (6 instances), the difference was only 0.05-0.1. It was also observed that the quantity entered by the Noticee 1 was always less than the counterparty that the trades have been completed in all instances.

- Noticee 2 with Noticee 5

➢ Reversal trade of Noticee 2 with Noticee 5 for selling 13750 units (1st leg)

Table 12

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/02/2015	15:04:40	15:04:40	15:04:40	53.5	53.5	53.5	2500	2500	5000
24/02/2015	12:09:12	12:09:12	12:09:12	53.6	53.6	53.95	1250	1250	5000
24/02/2015	11:21:41	11:21:41	11:21:41	53.9	53.9	53.9	2500	2500	5000
24/02/2015	11:17:20	11:17:20	11:17:20	54.05	54	54.05	2500	2500	5000
23/02/2015	14:07:16	14:07:16	14:07:16	47.5	47.5	47.5	2500	2500	5000
24/02/2015	11:01:50	11:01:50	11:01:50	54	54	54.1	2500	2500	5000

It was observed that, for all the trades, the time for both notice 2 and noticee 5 was same (Time difference is 0). Also, out of the 6 instances, the price is matching in all instances except 2 where the difference is around 0.05-0.1. It was also observed that the quantity entered by the entities were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

➢ Reversal trade of Noticee 2 with Noticee 5 for buying 15000 units (2nd leg)

Table 13

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/03/2015	12:16:09	12:16:09	12:16:09	64.5	64.5	64.5	2500	2500	2500
24/03/2015	12:15:21	12:15:21	12:15:21	64.55	64.55	64.55	2500	2500	2500
24/03/2015	12:13:16	12:13:16	12:13:16	64.6	64.6	64.6	2500	2500	2500
24/03/2015	12:10:51	12:10:51	12:10:51	64.65	64.65	64.65	2500	2500	2500
24/03/2015	11:57:06	11:57:06	11:57:06	64.5	64.5	64.5	2500	2500	2500
24/03/2015	11:45:00	11:45:00	11:45:00	64.5	64.5	64.6	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 5 was same (Time difference is 0). Also, out of the 6 instances, the price is matching in all instances except 1 where the difference is around 0.1. It was also observed that the quantity entered by the noticees were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

- Noticee 1 with Noticee 3

➢ Reversal trade of Noticee 1 with Noticee 3 for selling 6250 units (1st leg)

Table 14

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	12:25:15	12:25:15	12:25:15	66.8	66.8	66.8	2500	2500	2500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	12:10:00	12:10:00	12:10:00	66.6	66.6	66.6	1250	1250	1250
25/03/2015	12:09:01	12:09:01	12:09:01	66.6	66.6	66.6	1250	2500	2500
24/03/2015	13:26:46	13:26:46	13:26:46	64.7	64.7	64.7	1250	2500	1250

It was observed that, for all the trades, the time for both Noticee 3 and Noticee 1 was same (Time difference is 0). Also, out of the 4 instances, the price was matching in all instances. It was also observed that the quantity entered by the Noticee 3 were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

- Reversal trade of Noticee 1 with Noticee 3 for buying 11250 units (2nd leg)

Table 15

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/02/2015	14:54:17	14:54:17	14:54:17	53.2	53.2	53.2	1250	2500	2500
24/02/2015	13:13:42	13:13:42	13:13:42	54	54	54	2500	2500	2500
24/02/2015	12:29:59	12:29:59	12:29:59	53.45	53.45	53.45	2500	2500	2500
23/02/2015	15:00:07	15:00:07	15:00:07	47.4	47.4	47.45	5000	5000	5000

It was observed that, for all the trades, the time for both noticee 1 and noticee 3 was same (Time difference is 0). Also, out of the 4 instances, the price was matching in all instances except 1 where the difference is around 0.05. It was also observed that the quantity entered by the noticees were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

- Noticee 2 with Noticee 3

➢ Reversal trade of Noticee 2 with Noticee 3 for selling 6250 units (1st leg)

Table 16

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
23/03/2015	15:00:30	15:00:30	15:00:30	61.35	61.35	61.35	1250	2500	1250
23/03/2015	15:00:29	15:00:29	15:00:29	61.35	61.35	61.35	1250	2500	2500
23/03/2015	13:51:26	13:51:26	13:51:26	62.2	62.2	62.2	1250	1250	1250
23/03/2015	13:39:24	13:39:24	13:39:24	61.7	61.7	61.7	1250	1250	1250
23/03/2015	13:39:03	13:39:03	13:39:03	61.7	61.7	61.7	1250	1250	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 3 was same (Time difference is 0). Also, out of the 5 instances, the price was matching in all instances. Trades have been completed in all instances. The price, time and quantity are matching almost perfectly

➢ Reversal trade of Noticee 2 with Noticee 3 for buying 5000 units (2nd leg)

Table 17

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
23/02/2015	13:54:54	13:54:54	13:54:54	47	47	47	1250	2500	2500
23/02/2015	13:54:57	13:54:57	13:54:57	47	47	47	1250	1250	2500
24/02/2015	10:45:54	10:45:54	10:45:54	54	54	54	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 3 was same (Time difference is 0). Also, out of the 3 instances, the price was matching in all instances. It was also observed that the quantity entered by the Noticee 3 were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

- Noticee 2 with Noticee 4

➢ Reversal trade of Noticee 2 with Noticee 4 for selling 3750 units (1st leg)

Table 18

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
23/03/2015	14:43:33	14:43:33	14:43:33	61.6	61.6	61.6	2500	2500	2500
23/03/2015	13:59:12	13:59:12	13:59:12	61.8	61.8	61.8	1250	1250	1250

It was observed that, for all the trades, the time for both noticee 2 and noticee 4 was same (Time difference is 0). Also, out of the 2 instances, the price was matching in all instances. It was also observed that the quantity entered by both the Noticee were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

➢ Reversal trade of Noticee 2 with Noticee 4 for selling 5000 units (2nd leg)

Table 19

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
23/02/2015	13:58:41	13:58:41	13:58:41	47	47	47	2500	2500	2500
23/02/2015	13:58:18	13:58:18	13:58:18	47	47	47	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 4 was same (Time difference is 0). Also, out of the 2 instances, the price was matching in all instances. It was also observed that the quantity entered by the Noticees were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

viii. Expiry 30-Apr-15 (Strike Price – 235)

a) Analysis of contribution to volume

Name of the entities	As buyer		As Seller	
	Trade Quantity	% of total	Trade Quantity	% of total
RAJPRAKASH HARISH PATEL	**70000**	**36.36%**	**70000**	**36.36%**
PASHUPATI CAPITAL SERVICES PVT LTD	80000	41.56%	76250	39.61%
KAPILA RAJPRAKASH PATEL	**26250**	**13.64%**	**26250**	**13.64%**
SHAREKHAN LIMITED	8750	4.55%	8750	4.55%
MSD ASSOCIATES	5000	2.60%	5000	2.60%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1.30%	6250	3.25%
KHANDWALA TRADELINK CO				
Grand Total	**192500**	**100.00%**	**192500**	**100.00%**

It was observed from the above table that only 7 entities traded in the contract and Noticee 1 and Noticee 2 have contributed about 49% of both buy and sell volume.

b) Analysis of reversals by Noticee 1 and Noticee 2 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	57500	57500
	SHAREKHAN LIMITED	**5000**	**8750**
	ADROIT FINANCIAL SERVICES PVT LTD	6250	2500
	MSD ASSOCIATES	**1250**	**1250**
	Total	**70000**	**70000**
KAPILA RAJPRAKASH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	18750	22500
	SHAREKHAN LIMITED	3750	
	MSD ASSOCIATES	**3750**	**3750**
	Total	**26250**	**26250**

From the above table, it was observed that around 94.64% in case of Noticee 1 and 85.71 % in case of Noticee 2 is with the same entities.

c) Analysis of price order matching in case of reversal trades

- Noticee 1 with Noticee 5

➢ Reversal trade of Noticee 1 with Noticee 5 for selling 57500 units (1st leg)

Table 20

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	13:21:31	13:21:31	13:21:31	67.3	67.3	67.3	2500	2500	5000
25/03/2015	13:10:54	13:10:54	13:10:54	67.15	67.15	67.15	2500	2500	5000
25/03/2015	12:47:03	12:47:03	12:47:03	67.4	67.4	67.4	2500	2500	5000
25/03/2015	12:42:07	12:42:07	12:42:07	67.4	67.4	67.4	2500	2500	5000
25/03/2015	12:35:38	12:35:38	12:35:38	67.3	67.3	67.3	2500	2500	5000
25/03/2015	12:19:46	12:19:46	12:19:46	67.3	67.3	67.3	2500	2500	2500
25/03/2015	11:59:43	11:59:43	11:59:43	67.1	67.05	67.1	2500	2500	2500
24/03/2015	12:17:52	12:17:52	12:17:52	65.1	65.1	65.1	2500	2500	2500
24/03/2015	12:30:20	12:30:20	12:30:20	64.9	64.9	64.9	2500	2500	2500
24/03/2015	12:34:44	12:34:44	12:34:44	64.7	64.7	64.7	2500	2500	2500
24/03/2015	12:36:18	12:36:18	12:36:18	64.6	64.6	64.6	2500	2500	2500
25/03/2015	11:37:56	11:37:56	11:37:56	67.3	67.3	67.3	2500	2500	2500
24/03/2015	12:40:14	12:40:14	12:40:14	64.8	64.8	64.8	2500	2500	2500
24/03/2015	12:45:59	12:45:59	12:45:59	65	65	65	2500	2500	2500
24/03/2015	12:49:14	12:49:14	12:49:14	64.95	64.95	64.95	2500	2500	2500
24/03/2015	12:52:04	12:52:04	12:52:04	64.9	64.9	64.9	2500	2500	2500
24/03/2015	13:53:55	13:53:55	13:53:55	64.8	64.8	64.8	2500	2500	2500
24/03/2015	13:22:03	13:22:03	13:22:03	65.3	65.3	65.3	2500	2500	2500
24/03/2015	13:27:56	13:27:56	13:27:56	65.35	65.35	65.35	2500	2500	2500
24/03/2015	13:32:04	13:32:04	13:32:04	65.3	65.3	65.3	2500	2500	2500
24/03/2015	13:49:36	13:49:36	13:49:36	65.1	65.1	65.1	2500	2500	2500
24/03/2015	13:38:10	13:38:10	13:38:10	65.4	65.4	65.4	2500	2500	2500
24/03/2015	13:39:24	13:39:24	13:39:24	65.4	65.4	65.4	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 1 and Noticee 5 was same (Time difference is 0). Also, out of the 23 instances, the price was matching in all instances except 1 where the difference was around 0.5. It was also observed that the quantity entered by the Noticee's were same and trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

- Reversal trade of Noticee 1 with Noticee 5 for buying 57500 units (2nd leg)

Table 21

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
30/04/2015	12:23:06	12:23:06	12:23:06	65	65	65	1250	8750	2500
30/04/2015	12:21:41	12:21:41	12:21:41	65	65	65	1250	10000	2500
29/04/2015	14:35:13	14:35:13	14:35:13	61.5	61.5	61.5	2500	12500	2500
29/04/2015	14:21:45	14:21:45	14:21:45	61.5	61.4	61.5	2500	2500	2500
29/04/2015	12:46:03	12:46:03	12:46:03	61.45	61.45	61.45	2500	2500	2500
27/04/2015	14:22:51	14:22:51	14:22:51	62.6	62.6	62.8	2500	2500	2500
27/04/2015	14:14:26	14:14:26	14:14:26	62.6	62.6	62.6	2500	2500	2500
27/04/2015	14:14:14	14:14:14	14:14:14	62.6	62.6	62.6	2500	2500	2500
27/04/2015	14:12:48	14:12:48	14:12:48	62.7	62.7	62.7	2500	2500	2500
27/04/2015	14:10:13	14:10:13	14:10:13	62.7	62.7	62.7	2500	2500	2500
27/04/2015	14:08:51	14:08:51	14:08:51	62.75	62.75	62.75	2500	2500	2500
27/04/2015	14:06:56	14:06:56	14:06:56	63.05	63.05	63.25	2500	2500	2500
27/04/2015	14:05:22	14:05:22	14:05:22	63	63	63	2500	2500	2500
27/04/2015	14:01:08	14:01:08	14:01:08	62.25	62.25	62.25	2500	2500	2500
27/04/2015	14:00:42	14:00:42	14:00:42	62.25	62.25	62.25	2500	2500	2500
27/04/2015	13:57:26	13:57:26	13:57:26	62.1	62.1	62.1	2500	2500	2500
27/04/2015	12:41:28	12:41:28	12:41:28	64.25	64.25	64.25	1250	5000	1250
27/04/2015	10:53:59	10:53:59	10:53:59	66.25	66.25	66.25	2500	5000	2500
27/04/2015	10:45:02	10:45:02	10:45:02	66	66	66	2500	5000	2500
27/03/2015	12:39:55	12:39:55	12:39:55	77	76.9	77	1250	68750	5000

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/03/2015	12:39:55	12:39:55	12:39:55	77	76.85	77	1250	70000	5000
27/03/2015	12:39:55	12:39:55	12:39:55	77	76.8	77	1250	71250	5000
27/03/2015	12:39:55	12:39:55	12:39:55	77	76.7	77	1250	72500	5000
27/03/2015	12:39:28	12:39:28	12:39:28	77	76.7	77	1250	73750	2500
27/03/2015	12:39:28	12:39:28	12:39:28	77	76.65	77	1250	75000	2500
27/03/2015	12:39:09	12:39:09	12:39:09	77	76.8	77	2500	77500	2500
27/03/2015	12:37:11	12:37:11	12:37:11	77	76.65	77	2500	80000	2500
27/03/2015	11:21:18	11:21:18	11:21:18	80	77.85	80	1250	1250	2500

It was observed that, for all the trades, the time for both Noticee 1 and Noticee 5 was same. Also, out of the 28 instances, the price was matching in 16 instances and in others (12 instances), the difference was only 0.05-0.1. It was also observed that the quantity entered by Noticee 1 was always less than the counterparty that the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 5

➢ Reversal trade of Noticee 2 with Noticee 5 for selling 22500 units (1st leg)

Table 22

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	11:22:25	11:22:25	11:22:25	67.4	66	67.4	2500	2500	2500
24/03/2015	11:44:37	11:44:37	11:44:37	65.15	65.15	65.15	2500	2500	2500
24/03/2015	11:51:07	11:51:07	11:51:07	65.15	65.15	65.15	2500	2500	2500
24/03/2015	12:00:59	12:00:59	12:00:59	65.1	65.1	65.1	2500	2500	2500
24/03/2015	12:11:30	12:11:30	12:11:30	65.2	65.2	65.2	2500	2500	2500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/03/2015	12:15:14	12:15:14	12:15:14	65.05	65.05	65.05	2500	2500	2500
24/03/2015	12:15:58	12:15:58	12:15:58	65.05	65.05	65.05	2500	2500	2500
24/03/2015	12:53:16	12:53:16	12:53:16	64.95	64.95	64.95	2500	2500	2500
24/03/2015	12:38:02	12:38:02	12:38:02	64.8	64.8	64.8	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 5 was same (Time difference is 0). Also, out of the 9 instances, the price is matching in 8 instances and only in 1 instance, the difference is 1.4. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Reversal trade of Noticee 2 with Noticee 5 for buying 18750 units (2nd leg)

Table 23

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
30/04/2015	15:17:00	15:17:00	15:17:00	66.2	66.2	66.2	1250	5000	1250
30/04/2015	15:14:46	15:14:46	15:14:46	66.2	66.2	66.2	2500	7500	3750
28/04/2015	13:59:06	13:59:06	13:59:06	61.5	61.5	61.5	2500	2500	2500
27/04/2015	15:27:16	15:27:16	15:27:16	63.8	63.8	63.8	2500	2500	2500
27/04/2015	15:25:56	15:25:56	15:25:56	63.7	63.7	63.75	2500	2500	2500
27/04/2015	15:14:21	15:14:21	15:14:21	63.9	63.9	63.9	1250	2500	1250
27/04/2015	15:11:23	15:11:23	15:11:23	64.3	64.3	64.3	1250	2500	1250
27/04/2015	14:45:47	14:45:47	14:45:47	63.05	63.05	63.05	2500	2500	2500
27/04/2015	14:44:08	14:44:08	14:44:08	62.85	62.85	62.9	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 2 and Noticee 5 was same. Also, out of the 9 instances, the price was matching in 6 instances and in 2 instances, the difference is only 0.05-0.1. It was also observed that the quantity entered by Noticee 2 was always less than the counterparty that the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 1 with Noticee 3

➢ Reversal trade of Noticee 1 with Noticee 3 for selling 5000 units (1st leg)

Table 24

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/04/2015	14:22:07	14:22:07	14:22:07	62.8	62.8	62.8	2500	2500	2500
27/04/2015	14:18:07	14:18:07	14:18:07	62.6	62.6	62.6	1250	1250	2500
27/04/2015	14:16:56	14:16:56	14:16:56	62.6	62.6	62.6	1250	2500	2500

It was observed that, for all the trades, the time for both Noticee 1 and Noticee 3 was same. Also, out of the 3 instances, the price was matching in all the instances. It was also observed that the quantity entered by Noticee was always less than the counterparty that the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 1 with Noticee 3 for buying 8750 units (2nd leg)

Table 25

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	12:18:00	12:18:00	12:18:00	67.3	67.3	67.3	1250	1250	1250
25/03/2015	12:15:32	12:15:32	12:15:32	67.4	67.4	67.4	1250	2500	2500
25/03/2015	12:08:41	12:08:41	12:08:41	67.4	67.4	67.4	1250	2500	1250
25/03/2015	12:08:40	12:08:40	12:08:40	67.4	67.4	67.4	1250	2500	2500
25/03/2015	12:07:23	12:07:23	12:07:23	67.5	67.5	67.5	1250	2500	1250
25/03/2015	12:07:19	12:07:19	12:07:19	67.5	67.5	67.5	1250	2500	2500
25/03/2015	11:56:27	11:56:27	11:56:27	67	67	67	1250	2500	1250

It was observed that, for all the trades, the time for both Noticee 1 and Noticee 3 was same. Also, out of the 7 instances, the price was matching in all the instances. It was also observed that the quantity entered by Noticee 1 was less than the counterparty that the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 1 with Noticee 4

➢ Reversal trade of Noticee 1 with Noticee 4 for selling 1250 units (1st leg)

Table 26

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/04/2015	14:24:48	14:24:48	14:24:48	62.5	62.5	62.5	1250	1250	1250

It was observed that, the time for both Noticee 1 and Noticee 4 was same. Also the price was matching. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 1 with Noticee 4 for buying 1250 units (2nd leg)

Table 27

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/03/2015	11:56:27	11:56:27	11:56:27	67	67	67	1250	2500	2500

It was observed that, the time for both Noticee 1 and Noticee 4 was same. Also the price was matching. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 4

➢ Reversal trade of Noticee 2 with Noticee 4 for selling 3750 units (1st leg)

Table 28

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/04/2015	14:40:22	14:40:22	14:40:22	62.5	62.5	62.5	1250	1250	2500
27/04/2015	14:31:07	14:31:07	14:31:07	62.8	62.8	62.8	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 4 and Noticee 2 was same. Also, out of the 2 instances, the price was matching in all the instances. It was also observed that the quantity entered by Noticee 2 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 2 with Noticee 4 for buying 3750 units (2nd leg)

Table 29

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/03/2015	11:34:04	11:34:04	11:34:04	65	65	65	2500	2500	2500
24/04/2015	15:09:39	15:09:39	15:09:39	60.5	60.5	60.5	1250	1250	1250

It was observed that, for all the trades, the time for both Noticee 4 and Noticee 2 was same. Also, out of the 2 instances, the price was matching in all the instances. It was also observed that the quantity entered by both the Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

ix. Expiry 28-May-15 (Strike Price – 235)

a) Analysis of contribution to volume

Name of the entities	As buyer		As Seller	
	Trade Quantity	% of total	Trade Quantity	% of total
PASHUPATI CAPITAL SERVICES PVT LTD	**60000**	**31%**	**60000**	**31%**
RAJPRAKASH HARISH PATEL	**50000**	**26%**	**50000**	**26%**
KAPILA RAJPRAKASH PATEL	**41250**	**21%**	**41250**	**21%**
MSD ASSOCIATES	**18750**	**10%**	**25000**	**13%**
SHAREKHAN LIMITED	**13750**	**7%**	**5000**	**3%**
PATEL HUF H RAJPRAKASH	5000	3%	5000	3%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1%	2500	1%
SILVER STREAM EQUITIES PVT. LTD.			2500	1%
SVS SECURITIES PVT. LTD	1250	1%	1250	1%
Grand Total	**192500**	**100%**	**192500**	**100%**

It was observed from the above table that only 9 entities traded in the contract and Noticee 1 and Noticee 2 have contributed about 47% of both buy and sell volume.

b) Analysis of reversals by Noticee 1 and Noticee 2 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	ADROIT FINANCIAL SERVICES PVT LTD	2500	2500
	MSD ASSOCIATES	3750	1250
	PASHUPATI CAPITAL SERVICES PVT LTD	42500	35000
	SVS SECURITIES PVT. LTD	1250	
	SHAREKHAN LIMITED		11250
	Total	**50000**	**50000**
KAPILA RAJPRAKASH PATEL	ADROIT FINANCIAL SERVICES PVT LTD		2500
	MSD ASSOCIATES	16250	1250
	PASHUPATI CAPITAL SERVICES PVT LTD	17500	35000
	SILVER STREAM EQUITIES PVT. LTD.	2500	
	SHAREKHAN LIMITED	5000	11250
	Total	**41250**	**41250**

From the above table, it was observed that around 77.50% in case of Noticee 1 and 57.57 % in case of Noticee 2 is with the same entities.

c) Analysis of price order matching in case of reversal trades

- Noticee 1 with Noticee 5

➢ Reversal trade of Noticee 1 with Noticee 5 for selling 35000 units (1st leg)

Table 30

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
29/04/2015	12:54:01	12:54:01	12:54:01	59.7	59.7	59.7	1250	2500	12500
29/04/2015	12:38:01	12:38:01	12:38:01	60.15	60.15	60.15	1250	1250	12500
29/04/2015	12:36:46	12:36:46	12:36:46	60.2	60.2	60.2	1250	1250	12500
27/04/2015	14:24:36	14:24:36	14:24:36	61	61	61	1250	1250	12500
27/04/2015	14:00:23	14:00:23	14:00:23	60.4	60.4	60.4	2500	2500	10000
27/04/2015	14:00:59	14:00:59	14:00:59	60.5	60.5	60.5	2500	2500	12500
27/04/2015	14:01:36	14:01:36	14:01:36	60.6	60.6	60.6	2500	2500	12500
27/04/2015	14:24:05	14:24:05	14:24:05	61.2	61.2	61.2	2500	2500	12500
27/04/2015	14:06:46	14:06:46	14:06:46	61.5	61.5	61.5	2500	2500	12500
27/04/2015	14:22:22	14:22:22	14:22:22	61.2	61.2	61.2	2500	2500	12500
27/04/2015	14:10:02	14:10:02	14:10:02	61	61	61	2500	2500	2500
27/04/2015	14:12:55	14:12:55	14:12:55	61	61	61	2500	2500	12500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/04/2015	14:13:46	14:13:46	14:13:46	61	61	61	2500	2500	12500
27/04/2015	14:14:38	14:14:38	14:14:38	61	61	61	2500	2500	12500
27/04/2015	14:14:51	14:14:51	14:14:51	61	61	61	2500	2500	12500
27/04/2015	14:18:23	14:18:23	14:18:23	61	61	61	2500	2500	12500

On analysis, it was observed that, for all the trades, the time for both Noticee 1 and Noticee 5 was same (Time difference is 0). Also, out of the 16 instances, the price was matching in all 16 instances. It was also observed that the quantity entered by the Noticee 1 was always less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Reversal trade of Noticee 1 with Noticee 5 for selling 42500 units (2nd leg)

Table 31

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	14:13:54	14:13:54	14:13:54	76.9	76.85	76.9	1250	1250	1250
26/05/2015	14:10:07	14:10:07	14:10:07	76.9	76.8	76.9	2500	2500	2500
26/05/2015	14:07:28	14:07:28	14:07:28	76.9	76.9	76.9	1250	2500	2500
26/05/2015	14:07:26	14:07:26	14:07:26	76.9	76.9	76.9	1250	2500	2500
26/05/2015	14:03:00	14:03:00	14:03:00	76.9	76.9	76.9	2500	2500	2500
26/05/2015	13:34:10	13:34:10	13:34:10	76.6	76.6	76.6	1250	2500	1250
26/05/2015	13:30:30	13:30:30	13:30:30	76.7	76.7	76.7	2500	2500	2500
26/05/2015	13:28:35	13:28:35	13:28:35	76.7	76.6	76.7	2500	2500	2500
26/05/2015	13:25:23	13:25:23	13:25:23	76.7	76.7	76.7	2500	2500	2500
26/05/2015	13:15:33	13:15:33	13:15:33	77	76.9	77	2500	2500	2500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
08/05/2015	15:21:46	15:21:46	15:21:46	89.15	89.15	89.15	12500	12500	12500
08/05/2015	15:08:05	15:08:05	15:08:05	89.1	89.1	89.1	7500	12500	7500
08/05/2015	11:20:43	11:20:43	11:20:43	80	80	80	1250	12500	1250
08/05/2015	11:04:19	11:04:19	11:04:19	80	79.9	80	1250	1250	2500

On analysis, it was observed that, for all the trades, the time for both Noticee 1 and Noticee 5 was same. Also, out of the 14 instances, the price was matching in 9 instances and in others 5 instances, the difference was only 0.05-0.1. Trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 5

➢ Reversal trade of Noticee 2 with Noticee 5 for selling 35000 units (1st leg)

Table 32

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
30/04/2015	12:29:14	12:29:14	12:29:14	63.5	63.5	63.5	2500	2500	12500
24/04/2015	15:21:04	15:21:04	15:21:04	60.25	60.25	60.25	2500	2500	12500
28/04/2015	15:06:41	15:06:41	15:06:41	59.05	59	59.05	2500	2500	12500
28/04/2015	14:56:04	14:56:04	14:56:04	59.35	59.35	59.35	2500	2500	12500
28/04/2015	14:18:06	14:18:06	14:18:06	59.9	59.9	59.9	2500	2500	12500
28/04/2015	14:12:04	14:12:04	14:12:04	60	60	60	1250	2500	12500
28/04/2015	14:06:32	14:06:32	14:06:32	60	60	60	2500	2500	12500
27/04/2015	14:48:18	14:48:18	14:48:18	61.5	61.5	61.5	1250	2500	12500
27/04/2015	14:38:16	14:38:16	14:38:16	61.05	61	61.05	2500	2500	12500

On analysis, it was observed that, for all the trades, the time for both Noticee 1 and Noticee 5 was same (Time difference is 0). Also, out of the 9 instances, the price was matching in 7 instances and in others (2 instances), the difference was around 0.5. It was also observed that the quantity entered by the Noticee 2 was always less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 2 with Noticee 5 for buying 17500 units (2nd leg)

Table 33

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
08/05/2015	15:06:54	15:06:54	15:06:54	89	89	89.05	10000	12500	10000
08/05/2015	14:59:08	14:59:08	14:59:08	89.2	89.2	89.2	2500	12500	3750
08/05/2015	14:58:23	14:58:23	14:58:23	88.95	88.95	88.95	5000	12500	5000

On analysis, it was observed that, for all the trades, the time for both Noticees 2 and Noticee 5 was same. Also, out of the 3 instances, the price was matching in 2 instances and in 1 instance, the difference was only 0.5. It was also observed that the quantity entered by the Noticee 2 was always less than the counterparty that the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 3

➢ Reversal trade of Noticee 2 with Noticee 3 for selling 5000 units (1st leg)

Table 34

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	14:48:10	14:48:10	14:48:10	76.9	76.9	76.9	2500	2500	2500
08/05/2015	14:59:03	14:59:03	14:59:03	89.2	89.2	89.2	1250	1250	3750
08/05/2015	14:59:00	14:59:00	14:59:00	89.15	89.15	89.15	1250	2500	5000

It was observed that, for all the trades, the time for both Noticees 3 and Noticee 2 was same. Also, out of the 3 instances, the price was matching in all 3 instances. It was also observed that the quantity entered by Noticee 2 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Reversal trade of Noticee 2 with Noticee 3 for buying 11250 units (2nd leg)

Table 35

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
29/04/2015	14:23:59	14:23:59	14:23:59	60.4	60.4	60.4	2500	2500	2500
29/04/2015	14:12:39	14:12:39	14:12:39	60.5	60.5	60.5	1250	2500	1250
27/04/2015	12:55:41	12:55:41	12:55:41	62	62	62	1250	1250	1250
27/04/2015	13:52:30	13:52:30	13:52:30	60.2	60.2	60.25	2500	2500	2500
29/04/2015	14:12:35	14:12:35	14:12:35	60.5	60.5	60.5	1250	2500	2500
27/04/2015	14:05:14	14:05:14	14:05:14	61.25	61.25	61.25	2500	2500	2500

It was observed that, for all the trades, the time for both Noticees 3 and Noticee 2 was same. Also, out of the 6 instances, the price was matching in 5 instances and in 1 instance, the difference was only 0.05. It was also observed that the quantity entered by Noticee 2 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 1 with Noticee 4

➢ Reversal trade of Noticee 1 with Noticee 4 for selling 3750 units (1st leg)

Table 36

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
08/05/2015	11:17:29	11:17:29	11:17:29	80.3	80.3	80.3	1250	1250	1250
08/05/2015	11:17:10	11:17:10	11:17:10	80.3	80.3	80.3	2500	2500	2500

It was observed that, for all the trades, the time for both Noticees 4 and Noticee 1 was same. Also, out of the 2 instances, the price was matching in all 2 instances. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 1 with Noticee 4 for buying 1250 units (2nd leg)

Table 37

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
29/04/2015	12:53:58	12:53:58	12:53:58	59.7	59.7	59.7	1250	2500	2500

It was observed that, for all the trades, the time for both Noticees 4 and Noticee 1 was same. Also, the price was matching. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 4

➢ Reversal trade of Noticee 2 with Noticee 4 for selling 16250 units (1st leg)

Table 38

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
27/05/2015	14:26:49	14:26:49	14:26:49	73.8	73.8	73.8	1250	5000	1250
26/05/2015	15:25:23	15:25:23	15:25:23	76.8	76.8	76.8	1250	1250	1250
26/05/2015	15:24:47	15:24:47	15:24:47	76.8	76.8	76.8	1250	2500	2500
26/05/2015	14:36:04	14:36:04	14:36:04	77.2	77.2	77.2	2500	2500	2500
08/05/2015	14:55:46	14:55:46	14:55:46	89	89	89	2500	2500	2500
08/05/2015	14:55:39	14:55:39	14:55:39	89	89	89	2500	2500	2500
08/05/2015	14:55:27	14:55:27	14:55:27	89	89	89	2500	2500	2500
08/05/2015	14:55:11	14:55:11	14:55:11	89	89	89	2500	2500	2500

It was observed that, for all the trades, the time for both Noticees 4 and Noticee 2 was same. Also, out of the 8 instances, the price was matching in all the instances. It was also observed that the quantity entered by Noticee 4 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

➢ Reversal trade of Noticee 2 with Noticee 4 for buying 1250 units (2nd leg)

Table 39

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/04/2015	14:17:25	14:17:25	14:17:25	58.5	58.5	58.5	1250	1250	1250

It was observed that the time for both the noticee 4 and notice 2 was same. It was also observed that the quantity entered by Noticees were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

x. Expiry 25-June-15 (Strike Price – 235)

a) Analysis of contribution to volume

Name of the entities	As buyer		As Seller	
	Trade Quantity	% of total	Trade Quantity	% of total
RAJPRAKASH HARISH PATEL	**20000**	**32%**	**20000**	**32%**
MSD ASSOCIATES	8750	14%	20000	32%
KAPILA RAJPRAKASH PATEL	**11250**	**18%**	**11250**	**18%**
PASHUPATI CAPITAL SERVICES PVT LTD			6250	10%
SHAREKHAN LIMITED	21250	34%	3750	6%
ADROIT FINANCIAL SERVICES PVT LTD	1250	2%	1250	2%
Grand Total	**62500**	**100%**	**62500**	**100%**

It was observed from the above table that only 6 entities traded in the contract and Noticee 1 and Noticee 2 contributed about 50% of both buy and sell volume.

b) Analysis of reversals by Noticee 1 and Noticee 2 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	MSD ASSOCIATES	11250	6250
	SHAREKHAN LIMITED	3750	13750
	PASHUPATI CAPITAL SERVICES PVT LTD	3750	
	ADROIT FINANCIAL SERVICES PVT LTD	1250	
	Total	**20000**	**20000**
KAPILA RAJPRAKASH PATEL	MSD ASSOCIATES	8750	2500
	PASHUPATI CAPITAL SERVICES PVT LTD	2500	
	SHAREKHAN LIMITED	7500	
	ADROIT FINANCIAL SERVICES PVT LTD		1250
	Total	**11250**	**11250**

From the above table, it was observed that around 50 % in case of Noticee 1 and 22.22 % in case of Noticee 2 is with the same entities.

c) Analysis of price order matching in case of reversal trades

- Noticee 1 with Noticee 4

➢ Reversal trade of Noticee 1 with Noticee 4 for selling 6250 units (1st leg)

Table 40

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	12:38:21	12:38:21	12:38:21	78.5	78.5	78.5	2500	2500	2500
26/05/2015	13:25:43	13:25:43	13:25:43	78.5	78.5	78.5	2500	2500	2500
26/05/2015	13:34:33	13:34:33	13:34:33	78.5	78.5	78.5	1250	1250	1250

On analysis, it was observed that, for all the trades, the time for both Noticee 1 and Noticee 4 was same (Time difference is 0). Also, out of the 3 instances, the price was matching in all instances. It was also observed that the quantity entered by the Noticees were same and the trades have been completed in all instances. The price, time and quantity are matching almost perfectly.

➢ Reversal trade of Noticee 1 with Noticee 4 for buying 11250 units (2nd leg)

Table 41

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
25/06/2015	13:22:24	13:22:24	13:22:24	90.2	90.2	90.2	2500	2500	2500
25/06/2015	13:06:26	13:06:26	13:06:26	90.4	90.4	90.4	1250	1250	1250
24/06/2015	14:21:46	14:21:46	14:21:46	87.2	87.2	87.2	2500	2500	2500
23/06/2015	14:58:38	14:58:38	14:58:38	85.1	85.1	85.1	2500	2500	2500
23/06/2015	14:19:55	14:19:55	14:19:55	85.2	85.2	85.2	2500	2500	2500

On analysis, it was observed that, for all the trades, the time for both the Noticee 1 and Noticee 4 was same. Also, out of the 5 instances, the price was matching in in all instances. It was also observed that the quantity entered by the noticee were same and the trades have been completed in all instances. The price, time and quantity were matching almost perfectly.

- Noticee 2 with Noticee 4

➢ Reversal trade of Noticee 2 with Noticee 4 for selling 2500 units (1st leg)

Table 42

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	14:51:13	14:51:13	14:51:13	78.8	78.8	78.8	2500	2500	2500

On analysis, it is observed that, for trade, the time, price and quantity for both the Noticee 2 and Noticee 4 was same.

➢ Reversal trade of Noticee 1 with Noticee 4 for buying 8750 units (2nd leg)

Table 43

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
24/06/2015	11:40:23	11:40:23	11:40:23	86.5	86.5	86.5	2500	2500	2500
23/06/2015	15:03:52	15:03:52	15:03:52	85	85	85	1250	1250	1250
23/06/2015	15:02:00	15:02:00	15:02:00	85	85	85	2500	2500	2500
23/06/2015	15:01:31	15:01:31	15:01:31	85	85	85	2500	2500	2500

On analysis, it was observed that, for all the trades, the time for both Noticee 2 and Noticee 4 was same. Also, out of the 4 instances, the price was matching in all instances. It was also observed that the quantity entered by the Noticees were same and the trades have been completed in all instances. The price, time and quantity was matching almost perfectly.

- Noticee 1 with Noticee 3

➢ Reversal trade of Noticee 1 with Noticee 3 for selling 3750 units (1st leg)

Table 44

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
23/06/2015	13:36:23	13:36:23	13:36:23	84.7	84.7	84.7	1250	1250	2500
23/06/2015	13:31:14	13:31:14	13:31:14	85.2	85.2	85.2	2500	2500	2500

It was observed that, for all the trades, the time for both Noticee 3 and Noticee 1 was same. Also, out of the 2 instances, the price was matching in all instances. It was also observed that the quantity entered by Noticee 1 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity was matching almost perfectly.

➢ Reversal trade of Noticee 1 with Noticee 3 for buying 13750 units (2nd leg)

Table 45

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	14:11:32	14:11:32	14:11:32	78.8	78.8	78.8	1250	1250	1250
26/05/2015	14:09:54	14:09:54	14:09:54	78.8	78.8	78.8	1250	2500	1250
26/05/2015	13:26:43	13:26:43	13:26:43	78.8	78.8	78.8	2500	2500	2500
26/05/2015	13:29:07	13:29:07	13:29:07	78.5	78.5	78.5	1250	2500	2500
26/05/2015	13:29:07	13:29:07	13:29:07	78.5	78.5	78.5	1250	2500	2500

Trade Date	Trade Time	Buy Order Last Mod Time	Sell Order Last Mod Time	Trade Price	Sell Order Limit Price	Buy Order Limit Price	Trade Quantity	Sell Order Orig Vol	Buy Order Orig Vol
26/05/2015	14:09:44	14:09:44	14:09:44	78.8	78.8	78.8	1250	2500	2500
26/05/2015	13:58:50	13:58:50	13:58:50	79	79	79	2500	2500	2500
26/05/2015	14:05:08	14:05:08	14:05:08	78.9	78.9	78.9	1250	2500	2500
26/05/2015	14:05:53	14:05:53	14:05:53	78.9	78.9	78.9	1250	2500	1250

It was observed that, for all the trades, the time for both Noticee 3 and Noticee 1 was same. Also, out of the 9 instances, the price was matching in all instances. It was also observed that the quantity entered by Noticee 1 was less than the counterparty and the trades have been completed in all instances. The price, time and quantity was matching almost perfectly.

xi. Analysis of square of differences in ITM contracts

The profit/ loss incurred by Noticee 1 and Noticee 2 in above mentioned contract is as follows:

Contract	Rajprakash Harish Patel	Kapila Rajprakash Patel
Expiry 26-Mar-15 (Strike Price – 232)	-11,28,562.50	-3,24,500.00
Expiry 30-Apr-15 (Strike Price – 235)	-89,188.00	42,500.00
Expiry 28-May-15 (Strike Price – 235)	-10,79,438.00	-10,25,438.00
Expiry 25-June-15 (Strike Price – 235)	-1,71,438.00	-81,000.00
Total	-24,68,626.50	-13,88,438.00
Grand Total	**-38,57,064.50**	

From the above table, it was alleged that Noticee 1 and Noticee 2 have entered into same positions in the subsequent contracts despite incurring losses in the previous contract.

xii. Analysis of trading in BOB PUT options by counterparty – Noticee 3, Noticee 4 and Noticee 5.

The trading by counterparties in the options of Bank of Baroda is as follows:

a. Noticee 3

Table 9: Top 10 counterparties of Noticee 3 in put options of BOB

ShareKhan Limited as a buyer				ShareKhan Limited as a seller			
Counterparty Name	No. of trades	Trade Quantity	As a % to total	Counterparty Name	No. of trades	Trade Quantity	As a % to total
RAJPRAKASH HARISH PATEL	43	64750	42.81%	RAJPRAKASH HARISH PATEL	17	27750	30.83%
KAPILA RAJPRAKASH PATEL	20	28750	19.01%	KAPILA RAJPRAKASH PATEL	19	24250	26.94%
DINERO FINANCE & INVESTMENTS PVT LTD	10	21250	14.05%	PATEL HUF H RAJPRAKASH	6	8750	9.72%
SUNILKUMAR MANEKLAL PATEL	5	12500	8.26%	SUNILKUMAR MANEKLAL PATEL	5	8750	9.72%
WONDERMAX VINIMAY PVT LTD	3	3750	2.48%	WONDERMAX VINIMAY PVT LTD	5	6250	6.94%
JANAK RAJ KAPOOR	3	3750	2.48%	N.K.SECURITIES	2	2500	2.78%
PATEL HUF H RAJPRAKASH	3	2750	1.82%	GURDEEPSINGH HIMATHSINGH PURSWANI	2	2500	2.78%
GURDEEPSINGH HIMATHSINGH PURSWANI	2	2500	1.65%	INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED	4	2000	2.22%
PACE STOCK BROKING SERVICES PVT LTD	1	1250	0.83%	TCG STOCK BROKING LTD	1	1250	1.39%
KALPTARU INVESTMENTS PVT. LTD.	1	1250	0.83%	HEMA UPRETI	1	1250	1.39%

Details of ITM/Non-ITM trades of Noticee 3 as a buyer

SELLER NAME	NON ITM		ITM		Total	
	Count	Qty	Count	Qty	Count	Qty
RAJPRAKASH HARISH PATEL	17	19750	26	45000	43	64750
KAPILA RAJPRAKASH PATEL	5	5000	15	23750	20	28750
DINERO FINANCE & INVESTMENTS PVT LTD	4	6250	6	15000	10	21250
SUNILKUMAR MANEKLAL PATEL			5	12500	5	12500
WONDERMAX VINIMAY PVT LTD			3	3750	3	3750
JANAK RAJ KAPOOR			3	3750	3	3750
PATEL HUF H RAJPRAKASH	1	250	2	2500	3	2750
GURDEEPSINGH HIMATHSINGH PURSWANI			2	2500	2	2500
PACE STOCK BROKING SERVICES PVT LTD	1	1250			1	1250
KALPTARU INVESTMENTS PVT. LTD.	1	1250			1	1250

Details of ITM/Non-ITM trades of Noticee 3 as a seller

	NON ITM		ITM		Total	
BUYER NAME	**Count**	**Qty**	**Count**	**Count**	**Qty**	**Count**
RAJPRAKASH HARISH PATEL	2	4000	15	23750	17	27750
KAPILA RAJPRAKASH PATEL	3	1750	16	22500	19	24250
PATEL HUF H RAJPRAKASH			6	8750	6	8750
SUNILKUMAR MANEKLAL PATEL	5	8750			5	8750
WONDERMAX VINIMAY PVT LTD	4	5000	1	1250	5	6250
N.K.SECURITIES	2	2500			2	2500
GURDEEPSINGH HIMATHSINGH PURSWANI			2	2500	2	2500
INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED	4	2000			4	2000
TCG STOCK BROKING LTD	1	1250			1	1250
HEMA UPRETI	1	1250			1	1250

It was alleged that Noticee 3 has entered majority of its ITM trades with Noticee 1 and Noticee 2 with a percentage of 61.82% of Noticee 3's total buy trades and 57.77% of total sell trades.

b. <u>Noticee 5</u>

Top 10 counterparties of Noticee 5 in put options of BOB

Pashupati Capital Services Pvt Ltd as a buyer				Pashupati Capital Services Pvt Ltd as a seller			
Counterparty Name	**No. of trades**	**Trade Quantity**	**As a % to total**	**Counterparty Name**	**No. of trades**	**Trade Quantity**	**As a % to total**
DINERO FINANCE & INVESTMENTS PVT LTD	17	208750	39.35%	RAJPRAKASH HARISH PATEL	112	236750	68.97%
RAJPRAKASH HARISH PATEL	67	178000	33.55%	KAPILA RAJPRAKASH PATEL	46	87750	25.56%
KAPILA RAJPRAKASH PATEL	34	74250	14.00%	WONDERMAX VINIMAY PVT LTD	5	6250	1.82%
WONDERMAX VINIMAY PVT LTD	19	28750	5.42%	PATEL HUF H RAJPRAKASH	1	5000	1.46%
SUNILKUMAR MANEKLAL PATEL	1	15000	2.83%	SARALA KIRTI DOSHI	1	1250	0.36%
PATEL HUF H RAJPRAKASH	7	7750	1.46%	NIRAJ KUMAR KAJARIA	1	1250	0.36%
MSD ASSOCIATES	3	7500	1.41%	SMC GLOBAL SECUTITIES LTD	1	1250	0.36%
SNEH LATA SHARMA	3	3750	0.71%	INDRANI D V	1	1250	0.36%
PACE STOCK BROKING SERVICES PVT LTD	2	2500	0.47%	GRAVITON RESEARCH CAPITAL LLP	1	1250	0.36%

Pashupati Capital Services Pvt Ltd as a buyer				Pashupati Capital Services Pvt Ltd as a seller			
HEMA UPRETI	1	1250	0.24%	RAMESH LAXMAN SARPHARE	1	1250	0.36%

From above table, it was observed that Noticee 5 has entered into reversal trades with_Noticee 1 and Noticee 2

Details of ITM/Non-ITM trades of Noticee 5 as a buyer

SELLER NAME	ITM		Non ITM		Total	
	Count	Qty	Count	Qty	Count	Qty
DINERO FINANCE & INVESTMENTS PVT LTD	5	32500	12	176250	17	208750
RAJPRAKASH HARISH PATEL	62	158750	5	19250	67	178000
KAPILA RAJPRAKASH PATEL	27	61250	7	13000	34	74250
WONDERMAX VINIMAY PVT LTD	7	10000	12	18750	19	28750
SUNILKUMAR MANEKLAL PATEL			1	15000	1	15000
PATEL HUF H RAJPRAKASH	6	7500	1	250	7	7750
MSD ASSOCIATES	3	7500			3	7500
SNEH LATA SHARMA	1	1250	2	2500	3	3750
PACE STOCK BROKING SERVICES PVT LTD			2	2500	2	2500
HEMA UPRETI			1	1250	1	1250

Details of ITM/Non-ITM trades of Noticee 5 as a seller

	ITM		Non ITM		Total	
BUYER NAME	Count	Qty	Count	Count	Qty	Count
RAJPRAKASH HARISH PATEL	103	223750	9	13000	112	236750
KAPILA RAJPRAKASH PATEL	44	86250	2	1500	46	87750
PATEL HUF H RAJPRAKASH	1	5000			1	5000
WONDERMAX VINIMAY PVT LTD	3	3750	2	2500	5	6250
NIRAJ KUMAR KAJARIA	1	1250			1	1250
SARALA KIRTI DOSHI	1	1250			1	1250
SMC GLOBAL SECUTITIES LTD	1	1250			1	1250
GRAVITON RESEARCH CAPITAL LLP			1	1250	1	1250
INDRANI D V			1	1250	1	1250
RAMESH LAXMAN SARPHARE			1	1250	1	1250

It was alleged that Noticee 5 has entered majority of its ITM trades with Noticee 1 and Noticee 2 with a percentage of 47.55% of Noticee 5's total buy trades and 94.53% of total sell trades.

c. Noticee 4

Top 10 counterparties of Noticee 4 in put options of BOB (All trades)

MSD Associates as a buyer				MSD Associates as a seller			
Counterparty Name	No. of trades	Trade Quantity	As a % to total	Counterparty Name	No. of trades	Trade Quantity	As a % to total
KAPILA RAJPRAKASH PATEL	23	32000	19.60%	RAJPRAKASH HARISH PATEL	21	37500	25.34%
KHANDWALA TRADELINK CO	19	25000	15.31%	KAPILA RAJPRAKASH PATEL	17	33500	22.64%
RAJPRAKASH HARISH PATEL	15	16500	10.11%	SOCIETE GENERALE	16	14750	9.97%
WONDERMAX VINIMAY PVT LTD	5	10000	6.13%	PASHUPATI CAPITAL SERVICES PVT LTD	3	7500	5.07%
N.K.SECURITIES	7	7750	4.75%	INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED	6	5000	3.38%
KETAN VORA	2	6250	3.83%	PATEL HUF H RAJPRAKASH	1	5000	3.38%
PATEL HUF H RAJPRAKASH	2	5250	3.22%	CNB FINWIZ PRIVATE LIMITED	2	2500	1.69%
NIRSHILP SECURITIES PVT LTD	3	5000	3.06%	GETCO INDIA PRIVATE LIMITED	1	2500	1.69%
KREDENT BROKERAGE SERVICES LIMITED	5	4750	2.91%	KREDENT BROKERAGE SERVICES LIMITED	2	2500	1.69%
PACE STOCK BROKING SERVICES PVT LTD	4	4000	2.45%	KUMAR SHARE BROKERS LIMITED	2	2500	1.69%

Details of ITM/Non-ITM trades of Noticee 4 as a seller

SELLER NAME	ITM		Non ITM		Total	
	Count	Qty	Count	Qty	Count	Qty
KAPILA RAJPRAKASH PATEL	20	29750	3	2250	23	32000
KHANDWALA TRADELINK CO			19	25000	19	25000
RAJPRAKASH HARISH PATEL	5	8750	10	7750	15	16500
WONDERMAX VINIMAY PVT LTD	5	10000			5	10000
N.K.SECURITIES			7	7750	7	7750
KETAN VORA			2	6250	2	6250
PATEL HUF H RAJPRAKASH	1	5000	1	250	2	5250
NIRSHILP SECURITIES PVT LTD			3	5000	3	5000
KREDENT BROKERAGE SERVICES LIMITED			5	4750	5	4750
PACE STOCK BROKING SERVICES PVT LTD			4	4000	4	4000

Details of ITM/Non-ITM trades of Noticee 4 as a seller

	ITM		Non ITM		Total	
BUYER NAME	Count	Qty	Count	Count	Qty	Count
RAJPRAKASH HARISH PATEL	18	33750	3	3750	21	37500
KAPILA RAJPRAKASH PATEL	16	32500	1	1000	17	33500
SOCIETE GENERALE			16	14750	16	14750
PASHUPATI CAPITAL SERVICES PVT LTD	3	7500			3	7500
INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED			6	5000	6	5000
PATEL HUF H RAJPRAKASH	1	5000			1	5000
CNB FINWIZ PRIVATE LIMITED			2	2500	2	2500
GETCO INDIA PRIVATE LIMITED			1	2500	1	2500
KREDENT BROKERAGE SERVICES LIMITED			2	2500	2	2500
KUMAR SHARE BROKERS LIMITED	2	2500			2	2500

It was alleged that Noticee 4 has entered majority of its ITM trades with Noticee 1 and Noticee 2 with a percentage of 29.71% of Noticee 4's total buy trades and 47.98% of total sell trades.

In the view of the foregoing, it was alleged that the Noticee 1, Noticee 2, Noticee 3, Noticee 4 and Noticee 5 had violated Sections 12A(a), (b) and (c) of SEBI Act, 1992 r/w regulations 3 (a), (b), (c), (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003.

7. Noticees submitted their replies to the SCN, which is as follows:

i **Noticee 1 & Noticee 2**:

- *Noticee 1 & 2 contended that SCN was issued by SEBI on 28 th December 2021 i.e., after 74 months from the last date of the transactions and therefore there was an inordinate delay of more than 74 months in the issuance of SCN for an alleged offence related to IP October 2014 to June 2015 and therefore there is inordinate delay in issuance of SCN and the captioned SCN is barred by limitation. In this regard Noticee relied upon the order of Hon'ble Supreme Court and Securities Appellate Tribunal* *(hereinafter referred to as "**SAT**") in the matter of Sanjay J Soni V/s SEBI, Ashlesh G Shah V/s SEBI and Ashok Shivlal Rupani Vs. SEBI.*

- *Noticee 1 & 2 contended that copy of Investigation Report alleging the violation was not provided and further all other material on the basis of which SCN is issued was also not provided. In this regard, Noticee 1 relied upon the judgement of Hon'ble Supreme Court and SAT in the matter of Price Waterhouse Vs. SEBI, Shri. B. Ramalinga Raju Vs. SEBI.*
- *Noticee 1 & 2 contended that there is no allegation anywhere in the SCN that due to his transactions there was any artificial increase/decrease in the market price of shares of BOB or there was any nexues between him and the counterparties. In this regard Noticee stated that Hon'ble SAT in number of cases has set aside the orders passed by the Ld. AOs for the alleged violation of PFUTP Regulations on the grounds that for the violation of PFUTP Regulations, it is necessary that there should be a nexus between the buyer and seller because according to SAT, matching of transactions between the two parties cannot be construed as violative of PFUTP Regulations. In this regard, Noticee relied upon the judgement of Hon'ble SAT in the matter of Jagruti Securities Ltd Vs. SEBI and Nishith M. Shah HUF Vs. SEBI.*
- *Noticee denied that they had traded for the quantity mentioned in the Table No. 2 and further they stated that the traded quantity was much less than the mentioned quantity in Table-2. In this regard, Noticee annexed exhibit 13, showing the traded quantity of Noticee 1 and Noticee 2 vis-à-vis total traded quantity.*
- *Noticee submitted that he had completed all obligations of his trading member from time to time including payment of penalty as and when there was a margin shortfall. All their transactions in BOB options were genuine transactions executed for the strike price opened by the exchange and at a premium which is within Daily price range and it can be a coincidence that his transactions had common counterparty.*

ii **Noticee 3**

- *Noticee 3 submitted that it had sought inspection and copies of all relevant records and documents and an opportunity of inspection was provided, however only the relevant portions of investigation report was provided. In this regard Noticee relied upon the order of Hon'ble Supreme Court in the matter of T. Takano Vs. SEBI, wherein Supreme Court had held that investigation report prepared by SEBI is not an internal document and ought to provided for inspection. Further order logs were not provided.*
- *Noticee 3 submitted that the SCN was vitiated by delay and laches and the SCN has been issued after a lapse of more than 6.5 years. In this regard, Noticee relied upon the order of Hon'ble SAT in the matter of Ashok Shivlal Rupani & Anr Vs. SEBI, Rakesh Kathotia & Ors Vs. SEBI, Bharat J. Patel & Ors Vs. SEBI and SEBI Vs. Bhavesh Pabari.*
- *Noticee 3 submitted that all identified trades executed by it were part of its proprietary multi legged algo trading strategies and all such strategies were pre-approved by the stock exchange. Entire investigation has been conducted from the perspective of Noticee 1 and Noticee 2's trading in the illiquid derivative contracts in the scrip of BOB. SEBI has failed to analyse the trades executed by it as being independent of and without collusion with or involvement in any design or suspected manipulation alleged against the counterparty to the trades of Noticee 1 & 2 and the investigation has been conducted with a myopic lens and SEBI has failed to make any attempt to understand the rationale of the trades executed by Noticee 3.*
- *Noticee 3 submitted that SEBI should have analysed the order logs of the parties, since that would have clearly shown that it had placed several orders out of which only 1.81% of the total orders placed translated into successful trades and only 0.04% of the total orders resulted in successful trades and that trading by it was not restricted to only those options contracts in which Noticee 1 and Noticee 2 were dealing. The summary of Noticee 3's algo-trading was set out as below:*

Total 2 and 3 legged summary and Comparison with BOB			
Total Orders/ Trades		Orders/ Trades in the scrip of BOB	
Total 2 and 3 Leg Orders		Total 3 Leg Orders in BOB	17,434
Total Trades	7,021	Total Trades BOB	164
% of total Trades as compared to total orders	1.81	% of BOB Orders compared to Total Orders	4.50
		% of BOB Trades compared to Total Trades	2.34
		% of BOB Trades compared to total Orders	0.04

- *Noticee 3 submitted that proprietary algos of it automatically punch in orders without human intervention, that meet pre-defined yield based parameters. Orders are entered by the algo system to achieve a minimum fixed return on investment (ROI) and once it is determined that a particular ROI can be achieved, the system enters the order and this happens regardless of the scrip or strike price or liquidity and the counterparty is also of no relevance here as in any event the counterparty is not known to Noticee 3 since the trading is through the screen based trading system.*
- *Noticee 3 submitted that each transaction which has been identified with respect to it was part of multi-legged transaction. It further submitted that its algo trading software enters 2 or 3 legged orders (Call/Put/Future) to achieve a desired yield and the nature of the multi-legged orders was such that only if both legs / all three legs of the order match, the order would result in successful execution of the trade.*
- *Noticee 3 submitted that for any multi legged order, the order number is identical for each leg of the order and if each leg of the order were placed as a separate individual trade, the order number for call, put and future, would all be separate and this proves beyond all doubt that the orders were part of a multi legged algo strategy, and not part of any design with which counterparty may have been infected.*

- *Noticee 3 submitted that multi legged transactions/ orders are successful only if all legs of the order are capable of being executed and in the event of even a single leg of the order not being executed (due to the counter party's order having been withdrawn or having matched with someone else), the order entered by the algo system would be immediately cancelled. These orders are known as 'Immediate or Cancel' ("IOC") orders, Pertinently, all multi-legged orders are IOC orders by default.*
- *Noticee 3 submitted that a major advantage of algo trading is that it is software/ system driven and results in large volume or number of orders being executed at a rapid pace (within milliseconds) for a fixed ROI. The orders are placed within a matter of milliseconds basis the data/ feed received from the exchange and are either executed or immediately cancelled. On the basis of the data/ feed received from the exchange, the algo-software places thousands of multi-legged orders that satisfy the pre-determined yield based parameters. If the desired ROI cannot be achieved, the system would not place such an order. It would not be possible to manually place such orders within the given time frames to achieve the desired ROI. Besides, the volumes and speed with which the algorithm places orders would show that there could not have been any meeting of minds with the other noticees. Selective reliance on some trades that get matched with suspected market players cannot form the basis of imposing penalty on a broker.*
- *Noticee 3 submitted that its Identified Trades are multi-legged orders having one or two other legs and have not been done in isolation. Furthermore, each trade identified in the SCN was an IOC order and a 'limit order' i.e., order placed on pre-specified parameters. For every order that has been identified by SEBI, there is another leg/ or two other legs, which have also been successfully executed and which have not been identified or considered. Out of the 46 trades analysed, 12 trades were 2 legged orders while 34 trades were 3 legged orders. Since all trades identified by SEBI in the SCN were multi-legged transactions, these trades*

could not have been executed unless the pre-determined parameter was satisfied and matched for each leg of the trade.

- *Noticee 3 submitted that during the Investigation Period, various strategies were implemented by it which resulted in 3,87,164 algo orders in multiple scrips out of which only 7,021 orders were successfully executed (i.e., 1.81% of the total orders). Of the total number of orders, only 17,434 orders were in the scrip of BOB (i.e., 4.50% of the total orders) and only 164 trades were executed in the scrip of BOB (i.e., 0.04% of the total orders). Thus only a miniscule portion of its trades / orders were in the scrip of BOB. Thus notice submitted that its trading was not specific to trading in the illiquid options of BANKBORADA and 98.19% of the total orders placed by it were not confirmed and did not translate into trades*
- *Noticee 3 submitted that it had no relation with Noticee Nos. 1 and 2 and it is because the options contracts in which Noticee Nos. 1 and 2 were trading were illiquid, that Sharekhan's orders in such options have repeatedly matched with Noticee Nos. 1 and 2. The SCN fails to bring on record any material to show that Noticee 3 had any connection with Noticee Nos. 1 and 2 other than the multiple trades executed.*
- *Noticee 3 submitted that SCN has sought to draw an adverse inference from the fact that there is no time difference between the orders of it and those of Noticee 1 and 2, however the algo trading software places the order within milliseconds of receiving and analysing the feed received from the stock exchange and since the data collected by SEBI analyses the time in seconds and not in milliseconds and it creates a incorrect impression that the orders of both the parties have been entered at the same time.*
- *Noticee 3 submitted that Noticee 1 and 2 were perhaps few of the parties that were placing orders in these specific options as those specific options were illiquidity and liquidity of a particular scrip is not a factor which is considered by the system when the algo order is placed, as long as the pre-determined parameters set are being met and thus no adverse*

inference can be drawn from the fact that Noticee's order matched with Noticee 1 and Noticee 2.

- *Noticee 3 submitted that since all orders placed by it were system driven, it is evident that there is no human intervention or 'meeting of minds' that may result in price/ volume manipulation. Furthermore, since all orders were multi-legged transactions, such that even if 1 leg of the transaction does not match, Noticee could not have artificially matched the Identified Trades with Noticee Nos. 1 and 2 for one leg of the order not knowing whether the other legs of the orders have been executed.*
- *Noticee 3 submitted that while manipulation has been alleged due to the matching of trades between it and Noticee Nos. 1 and 2, no connection has been established between them. Thus, evidently and admittedly, the SCN proceeds against Noticee only on the basis of the trades executed by it and not on an allegation of connection/ collusion between Noticee 3 and Noticee Nos. 1 and 2. In this regard Noticee 3 relied upon the judgement of Hon'ble Supreme Court in the matter of Kishore R. Ajmera v. SEBI, (2016) 6 SCC 368.*
- *Noticee 3 contended that the Identified Trades cannot be construed to be 'Reversal Trades' and the fact that the SCN fails to set out why a charge of violation of PFUTP Regulations has been levelled on the Noticee, it is submitted that in light of the now established fact that the Identified Trades were system-driven an were executed by it's algo-trading software, it is submitted that the Noticee 3 has not violated any provisions of law, as alleged in the SCN.*
- *Noticee 3 further contended that in the absence of a contention that the algo-trading software employed by it is itself fraudulent, few trades cherry-picked on the basis of counterparties to the trades cannot succeed in establishing the allegation against Sharekhan. Moreover, even in respect of the trades executed in the scrip of BOB that have matched with Noticee No. 1 and 2 as set out in the SCN i.e., 100 trades, only 46 trades have been further analyzed by SEBI and are alleged to be manipulative and in violation of PFUTP Regulations. Considering that all trades executed by*

Noticee 3 were system-driven and out of the algo-trading strategies, a few selected trades cannot be alleged to be manipulative.

- *Noticee 3 submitted that Regulation 4(2)(a) of the PFUTP Regulations has been amended w.e.f. February 01, 2019 and the term 'knowingly' has been introduced in the said provision which further buttresses the submission that a serious charge of fraud and market manipulation cannot be alleged in the absence of any material/ evidence to show knowledge or involvement in the said deception/ manipulation. No such evidence/ material is available against it, especially in the absence of any allegation of a connection/ collusion between it and Noticee Nos. 1 and 2.*
- *Noticee 3 submitted that SCN is completely vague and fails to explain the charge that it is required to meet. It is a settled principle of law that if the allegations in the show cause notice are not specific and are vague/ lack details, it is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show cause notice*
- *Noticee 3 submitted that specific trades on the basis of which the instant SCN has been issued to it have not been clearly set out. As such, the specific allegations to which it has to respond to is also unclear.*
- *Noticee 3 submitted that analysis of trading in ITM contracts was done and 20% ITM has been taken as a cut off, however the SCN fails to specify the justification/ basis on which, the contracts set out at Table 5 to Table 8 of the SCN have been further shortlisted.*
- *Noticee 3 submitted that from a bare perusal of the trades analysed in the SCN it is evident that the same do not fall within the definition of 'reversal trades'. For example, at para 6.3.2. c iii. 1., page 16, the SCN analyses 4 trades of Noticee No. 1 that have matched with it on March 25, 2015 (3 trades) and March 24, 2015 (1 trade) and alleges reversal with trades identified at para 6.32. c iii. 2., page 17 of the SCN that have matched on February 24, 2015 (3 trades) and February 23, 2015 (1 trade) and it is unclear as to how trades that were executed almost 1 month apart have been categorized as 'reversal trades' when the very definition of reversal trading is opposite positions being taken with the same counterparties*

during the same day. Accordingly, it is submitted that evidently, the charge of reversal trades cannot be sustained against Noticee 3.

- *Noticee 3 contended that it is unclear as to how trades that were executed almost 1 month apart have been categorized as 'reversal trades' when the very definition of reversal trading is opposite positions being taken with the same counterparties during the same day. Accordingly, it is submitted that evidently, the charge of reversal trades cannot be sustained against it.*
- *Noticee 3 contended that other than observing that its purported 'reversal trades', that have matched with the trades of Noticee No. 1 and 2, the SCN does not record any observation with respect to the impact of it's trades affecting the price or volume in the illiquid contracts in the scrip of BOB. Noticee 3 submitted that matching of trades per se cannot amount to manipulation especially in the absence of any allegation of collusion or connection between it and Noticee Nos. 1 and 2.*
- *In support of the aforesaid, Noticee 3 procured a certificate from Mr. Ketan Parekh and Mr. Sidharth Shah, both experts in securities market and algotrading, who have confirmed that the Identified Trades took place through it' s algo trading system and were system driven.*

iii. Noticee 4

- *Noticee 4 submitted that its broker M/S Universal Stock Brokers Pvt. Ltd. had an algo trading strategy with the name "Call Put Parity", approved by the National Stock Exchange of India Ltd. The said strategy works on the basis of a strategy popularly known as "Conversion Reversal' wherein arbitrage profit is generated by entering into any of the following combinations:-*

a. Buy Call, Sell Put and Sell Future of the same Underlying and options of the same strike

b. Sell Call, Buy Put and Buy Future of the same Underlying and options of the same strike *c. Buy Put, Buy Future of the same Underlying*

d. Buy Call, Sell Future of the same Underlying

- *Notice 4 submitted the formula for calculation of profit/loss in case of a "Conversion Reversal Strategy", which is as follows:*

Sr. No.	*Case Tv e*	*Formuala*
1.	*In the Money Call Traded*	*Qty*[Future Price + Put Premium Less Call Premium+StrikePriee*
2.	*In the Money Put Traded*	*Qty*[{Call Premium+Strike Price}- {Future Price+Put Price*

In regard to the aforesaid strategy Noticee 4 submitted that if the answer to this packet is a positive value, it denotes the amount of profit earned in this packet and if it is a negative value, it means loss has been incurred. It is worthwhile to mention once this strategy trade gets executed, that the profit/loss earned on this combination of all the trades of this strategy remains the same irrespective of the price movement in the price of the underlying Future/Call Put. Thus it is a complete fully hedged strategy. In other words, whatever may be the movement in any of three ingredients of this combination, the profit earned or loss incurred when these trades were executed will not change.

Noticee 4 further submitted that a total of 35 instances of trades have been mentioned against its firm in the notice and barring 5 instances (no. 25, 30, 31, 32 & 34), in all other cases, 3 Leg or 2 leg orders have been released from the approved algo strategy where corresponding future trades have to be traded alongwith the put order itself i.e. the put cannot be traded in isolation, to complete the arbitrage cycle. Even in the five instances where orders have been sent manually (Instance No. 25,30,31 ,32 & 34), the put trades have not been traded in isolation. The future trades have also been traded to complete the arbitrage strategy. Thus all these trades were part of arbitrage only. The calculation sheet clearly shows that all the trades happened in line with the strategy and all combination of trades resulted in nominal profit. As is the nature of a multi leg IOC order, all the trades of a particular packet happened against *the single order number and at the same time except for the 5 trades which were executed manually.*

In regard to the aforesaid, in all cases, whether the trades were traded through IOC multi leg order strategy or manually, none of the PUTS trades have been traded in isolation i.e. all PUT trades are accompanied by corresponding FUTURE trades and profitloss of this packet does not change with whatever be the change in the price of any of the ingredients of this packet, hence, to conclude any profit/loss from the movement in the price of PUT only would not be correct.

Noticee 4 also submitted that the multi leg IOC (Immediate or Cancelled type of order) in this type of order, all three/two leg orders as stated above are fired by the software through a single order whenever the combination of Call, PUT & FUTURE is made to achieve the profit as defined in the software. Further, order number for all the three orders is same where the orders have been sent through the algo software i.e. it is a single order sent with an instruction of either achieving the trades or immediately cancel the order i.e. the order if not traded are immediately cancelled and do not form part of the order book. As per the strategy the order quantity for all the three contracts i.e Call, Put & Future has to be compulsorily the same. The order if for more than lot, can be traded partially, but in that case too all three contracts have to be traded i.e. there cannot be a PUT or CALL trade in isolation without the future trade. Thus, it is not possible for a PUT contract to be traded alone. Also, the order is generated when the market shows the arbitrage opportunity i.e. a combination of Put, Future & Call rate is available wherein all three orders can be executed at market rate and achieve the arbitrage result as defined in the software. The order generation, execution or cancellation is done within a fraction of a second i.e.the software prepares the order, fires it and then either the order gets traded or gets cancelled immediately. The order does not lie in the order book untraded.

In regard to order entry timings, Noticee 4 submitted that an aspect which is peculiar to these IOC multi leg orders is that there is no modification in these orders. The multi leg IOC order is fired only if the profit /loss criteria defined in the software is met and all the legs of the multi leg IOC order are available for trade at market price. Once sent, then the multi leg IOC order is either traded or cancelled instantly. It cannot form part of the order book. In other words, it is an active order, not a passive order and thus it can't be modified. Hence, there is no modification of orders from our end as is mentioned in the notice in 30 out of the 35 cases listed in the notice. Therefore, there cannot be any modification in the original order from our side. Further, as the orders (30 out of 35) were fired by algo software, it is in response to the opportunity which may have arose due to the order entry / modification by the counter parties. Therefore, the time of our order entry and the time of counter party's order entry or modification (we do not know whether it was a fresh order or modified order) are matching as said earlier in point no. 4, that the algo orders take a fraction of a second to fire. Noticee summarized its trades in long in the money options of BANKBARODA for these four expiries and a few previous expiries and few following expiries.

Sr. No.	*Expiry Month*	*Long in The Money Strike Price Traded*	*Total No of Trades*	*Total No. of Trades Reported As Matching with other Noticees In Notice*	*Trades which are similar in nature but with other counter arties*
	26-Mar-2015	*232.00*	*9*	*4*	*5*
2.	*30-A r-2015*	*235.00*	*6*	*6*	
3.	*28-Ma -2015*	*232.00*	*23*	*12*	*1 1*
4.	*25-Jun-2015*	*235.00*	*13*	*13*	
5.	*26-Feb-2015*	*252.00*	*6*	*we do not the know counter parties.*	*We do not know the counter parties.*
6.	*30-Jul-2015*	*235.00*	*10*	*We do not the know counterparties*	*We do not know the counterparties*

From the aforesaid summary Noticee 4 submitted that during the period when its trades have been shortlisted as being matched with some specific counter parties, there are other trades too in the same strike and expiry which have been left out, perhaps because in those trades, the counter parties may not be as notice no. 1 or 2 but some other party. It is worthwhile to mention that this pattern is not peculiar to any particular symbol like BANKBARODA as is mentioned in the notice but to any symbol or expiry. Noticee 4 further submitted that, this strategy is a completely hedged strategy and the profit/loss generated/incurred does not change once the packet of Call/Put & Future is complete, hence, it was open to trade in any symbol or expiry which meet its profit criteria.

In this regard Noticee 4 submitted that NSE does not disclose the identity of counter party to the traders, also, it was never interested to know our counter party.

- *Noticee 4 further contended that it does not know any of the noticees mentioned in the notice and have no connection whatsoever, whether direct or indirect with its firm or any of our partners or their relatives.*

- *Noticee 4 submitted that during the whole of its existence it had done arbitrage and during that time it traded on this strategy popularly known as "Conversion Reversal" and it remained present in almost all the symbols , strikes and expiries all the time simultaneously. The software never distinguished between symbols or strikes or expiries and used to trade wherever the available profit is equal to or more than the prescribed rate by the user. It is also to be noted that 30 out of 35 trades were done by the software and there was no manual intervention possible.*

iv. Noticee 5:

Delav in issuance of the SCN

- *Noticee submitted that SCN has been issued after an inordinate delay of 8 years. In this regard Noticee relied upon the order of Hon'ble SAT in the* *matter of Shriram Insight Share Brokers Limited v. SEBI (Appeal No. 559 of 2020) dated January 04, 2022, Parag Sarda v. SEB/ (Appeal No. 290 of 2020) dated 12th November 2020, Government of India v. Citadel Fine Pharma [AIR(1989) SC], Rakesh Kathotia & Ors. v. SEBI (Appeal No. 7 of2016) dated May 27, 2019, Ashok Shivlal Rupani &Anr. v. SEBI (Appeal No.417 of 2018), Sanjay Jethalal Soni v. SEBI(Appeal No. 102 of 2019) dated November 14, 2019.*

Show Cause Notice is vague

- *Noticee contended that from the bare perusal of the captioned SCN, it is evident that the only allegation is that the impugned trades executed by the Noticee were matched with the Noticee No. 1 and Noticee No.2. However, SCN has failed to mention as to how these trades are in violation of the provisions of the SEBI Act, 1992 or SEBI (PFUTP) Regulation, 2003. Mere matching of trades by no stretch of imagination, is in violation of any provision of law cited in the SCN. Unless the precise natures of violations are alleged in the SCN, the Noticee is not in a position to deal with the same and offer his explanation and defense. It is submitted that the material/ grounds on which SEBI wants to initiate action have not been stated in the SCN. In this regard, Noticee relied upon the orders in the matters of Gorkha Security Services V. Government (NCT of Delhi) & Ors,*

- *Noticee submitted that it trades in almost all the segments and also employs algo-trades. The Noticee had also availed co-location facility from NSE. With regards to the transactions in the SCN, the Noticee submitted that these trades were executed through algorithm i.e. Alt-Q algorithm. The Noticee uses a strategy where in In-The Money (ITM) order entry, order price is derived based on the current market 'future price' of the underlying and strike price of the option. In ITM order based entry, the price is calculated using strike price, underlying future price and the difference of that is set in the algorithm. For instance, if Noticee buys an ITM put option, it would hedge by buying the future of the same underlying, at the same given time for the* *same quantity. Similarly, if it sells an ITM put option, it would hedge it by selling the future at the same time.*

- *Noticee submitted that Bank of Baroda was not a standalone stock they had traded during the relevant time using the said strategy. It has employed this strategy in many of the other scrip and indices and thus all these trades are executed by us through algorithm as stated above.*

<u>The Noticee has no connection with the other Noticees.</u>

- *The Noticee submits that it is not related to any of the Noticees mentioned in the Show Cause Notice. It is submitted that by mere alleged trading pattern, it can be alleged that there is a connection or relation between the Noticees. Further, upon considering the trading pattern of the present Noticee, it is absolutely clear that this not the first time the present Noticee had executed such algo trades in other scrips. The Noticee submits that the SCN has failed to mention any unlawful gains made by the Noticee No. 5 in the subject transaction. In view of the above, it is submitted that the Noticee No. I had not violated any law, Rules and Regulations as alleged in the Show Cause Notice.*

8. Pursuant to issuance of SCN, Noticees were in the interest of Principles of Natural Justice, given with an opportunity of personal hearing The details of hearing notice/s (hereinafter referred to as "**HN**") and appearances by the Noticees are as under:

Sr. No.	Name of Entity	HN dated	Hearing date	HN Delivery status Y/N	Mode of the delivery	Additional information if any
1.	Noticee 1	29/04/2022	12/05/2022	Y	SPAD	Vide email dated May 04, 2022, the Authorized Representative (hereinafter referred to as "**A.R**") to Noticee 1 sought adjournment of

Sr. No.	Name of Entity	HN dated	Hearing date	HN Delivery status Y/N	Mode of the delivery	Additional information if any
						hearing scheduled on May 12, 2022 as he had another hearing scheduled on the same date before Hon'ble SAT.
2.	Noticee 2	29/04/2022	12/05/2022	Y	SPAD	Vide email dated May 04, 2022, the A.R to Noticee 2 sought adjournment of hearing scheduled on May 12, 2022 as he had another hearing scheduled on the same date before Hon'ble SAT.
3.	Noticee 3	28/04/2022	12/05/2022	Y	SPAD	Noticee appeared for hearing
4.	Noticee 4	28/04/2022	12/05/2022	Y	E-mail	Noticee appeared for hearing
5.	Noticee 5	28/04/2022	12/05/2022	Y	SPAD	Vide letter dated May 10, 2022, Noticee requested 10 days extension to file reply to the SCN and appear before the undersigned.

9. Details of additional hearings, if any, sought by the Noticees:

Sr. No.	Name of Entity	Hearing date	Details of Appearance (Y/N)
1.	Noticee 1	13/05/2022	Y
2.	Noticee 2	13/05/2022	Y
5.	Noticee 5	19/05/2022	Y

10. Details of Inspection as sought by Noticee 1, Noticee 2, Noticee 3 and Noticee 5 are as below:

<table>
<tr><th>Sr. No.</th><th>Noticee No.</th><th>Date and medium through which inspection sought</th><th>Inspection date</th><th>Description of documents given for inspection</th></tr>
<tr><td>1.</td><td>Noticee 1</td><td>Vide letter dated March 19, 2022</td><td>April 29, 2022</td><td rowspan="4">1) Relevant extracts of Investigation report.
2) Trade log in F&O segment in the scrip of BOB during the IP</td></tr>
<tr><td>2.</td><td>Noticee 2</td><td>Vide letter dated March 19, 2022</td><td>April 29, 2022</td></tr>
<tr><td>3.</td><td>Noticee 3</td><td>Vide letter dated January 11, 2022</td><td>February 04, 2022</td></tr>
<tr><td>3.</td><td>Noticee 5</td><td>Vide letter dated May 16, 2022</td><td>May 19, 2022</td></tr>
</table>

CONSIDERATION OF ISSUES AND FINDINGS

11. I have carefully perused the charges levelled against Noticees in the SCN, their reply and the materials documents available on record. The issues that arise for consideration in the instant matter are:

Issue no. 1: Whether the Noticees by reversing the trades in the scrip of BOB have violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1) and 4(2)(a) of SEBI PFUTP Regulations, 2003.

Issue no. 2: Does the violations, if any, on the part of the Noticees attract monetary penalty under section 15 HA of SEBI Act?

Issue no. 3: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of SEBI Act?

12. Before moving forward, the relevant provisions of law allegedly violated by the Noticees and as mentioned in the SCN are reproduced below:--

SEBI Act, 1992

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;

PFFUTP Regulations

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 Actor the rules and the regulations made there under.*

4. (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:—*

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

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

Issue no. 1: Whether the Noticees by artificially inflating the volume in the scrip of SML have violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1) and 4(2)(a) of SEBI PFUTP Regulations, 2003.

13. Before proceeding with the matter on merits, I would first deal with the contention of delay in issuance of the SCN. In this regard, I observe from the records that the investigation in the scrip of BOB for period October 01, 2014 – June 30, 2015 was initiated in May 30, 2018. Information was sought from exchanges, depositories, banks etc. regarding trading activity in the scrip of BOB. I observe that detailed analysis of trade log, order log, UCC details, analysis of bank statements was carried out. The investigation was completed in August 27, 2021 and the undersigned was appointed Adjudicating Officer in the matter on September 28, 2021. Thereafter the SCN was issued in December 28, 2021.

Considering the time taken for examination and analysis of documents from large number of entities and to complete the investigation, I do not find that there is inordinate delay in issuance of the SCN. In this regard, I am inclined to rely upon the decision of Hon'ble SAT in the matter of **Bipin R Vora vs SEBI** held that,

"As regards the plea of delay and latches and submission that the show cause notice is barred by limitation, I do not find any merit in these contentions as the time and efforts involved in an investigation though may vary from case to case, generally investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/ order-trade details of all the concerned including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action for the safeguard and improvement of the system/market".

The Hon'ble SAT in the matter of **M/s Adamina Traders P. Ltd**(Appeal No. 331/2020) decided on December 15, 2021 held that

"We find that the trades in question are of the year 2013. The show cause notice was issued on September 28, 2017 by the WTM and January 18, 2018 by the AO. We do not find any evidence to hold that there was an inordinate delay in the issuance of the show cause notice. This contention is accordingly rejected."

14. In view of aforesaid judgments, I conclude that there is no merit in the preliminary objections made by Noticees, regarding the delay in issuance of SCN in the instant proceedings.

15. Now I shall proceed to deal the matter on the merits and on the contentions raised by the Noticees.

16. It was alleged in the SCN that during the Investigation period, Noticee 1 and Noticee 2 who were connected based on same address, contact number and Email had 100% of their activity in PUT options in the scrip of BANKBARODA Options segment, of which trading in the Deep in the Money contracts accounted

for more than 70-80% of the total activity. It was observed that Noticee 3, Noticee 4 and Noticee 5 were counterparties to more than 79% in buy trades and 77% in sell trades of Noticee 1 and Noticee 3.

17. It was observed that Noticee 1 bought 24 option contracts and sold 22 option contracts in the scrip. Noticee 2 bought 18 option contracts and sold 16 option contracts in the scrip of BOB. It was also alleged that Noticee 1& Noticee 2 entered into reversal of trades with Noticee 3, Noticee 4 and Noticee 5 and thus indulged in non-genuine and deceptive transactions.

18. Following ITM contracts were analysed to determine the alleged contribution to volume and reversals of trades by Noticee 1 and Noticee 2 and their counterparties Noticee 3, Noticee 4 and Noticee 5:

Buy Expiry Date	Buy Strike Price	Sell Expiry Date	Sell Strike Price
26-Mar-15	232	26-Mar-15	232
30-Apr-15	235	30-Apr-15	235
28-May-15	235	28-May-15	235
25-Jun-15	235	25-Jun-15	235

19. Analysis of the aforementioned ITM contracts in the derivative contracts of BOB:

20. **Expiry 26-Mar-15 (Strike Price – 232)**

	As buyer		As Seller	
Name of the entities	Trade Quantity	% of total	Trade Quantity	% of total
RAJPRAKASH HARISH PATEL	**80000**	**35.56%**	**80000**	**35.56%**
PASHUPATI CAPITAL SERVICES PVT LTD	80000	35.56%	80000	35.56%
KAPILA RAJPRAKASH PATEL	**27500**	**12.22%**	**27500**	**12.22%**
SHAREKHAN LIMITED	16250	7.22%	16250	7.22%
MSD ASSOCIATES	10000	4.44%	12500	5.56%
PATEL HUF H RAJPRAKASH	5000	2.22%	5000	2.22%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1.11%	1250	0.56%
SVS SECURITIES PVT. LTD	2500	1.11%	2500	1.11%
KHANDWALA TRADELINK CO	1250	0.56%		

Grand Total	**225000**	**100.00%**	**225000**	**100.00%**

20.1.1. From the above table it was observed that only 9 entities traded in the contract and both Noticee 1 and Noticee 2 have contributed about 48% of both buy and sell volume.

20.2. Analysis of reversals by Noticee 1 and Noticee 2 with Noticee 3, Noticee 4 and Noticee 5 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	MSD ASSOCIATES	8750	
	PASHUPATI CAPITAL SERVICES PVT LTD	65000	66250
	SHAREKHAN LIMITED	6250	11250
	SVS SECURITIES PVT. LTD		
	Total	**80000**	**80000**
KAPILA RAJPRAKASH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	15000	13750
	SHAREKHAN LIMITED	6250	5000
	SVS SECURITIES PVT. LTD	2500	
	ADROIT FINANCIAL SERVICES PVT LTD		2500
	KHANDWALA TRADELINK CO		1250
	MSD ASSOCIATES	3750	5000
	Total	**27500**	**27500**

20.2.1. From the above table, it was observed that trade of around 89.06% in case of Noticee 1 and 68.18% in case of Noticee 2 is with the same entities.

21. **Expiry 30-Apr-15 (Strike Price – 235)**

21.1. Analysis of contribution to volume

Name of the entities	As buyer		As Seller	
	Trade Quantity	% of total	Trade Quantity	% of total
RAJPRAKASH HARISH PATEL	**70000**	**36.36%**	**70000**	**36.36%**
PASHUPATI CAPITAL SERVICES PVT LTD	80000	41.56%	76250	39.61%
KAPILA RAJPRAKASH PATEL	**26250**	**13.64%**	**26250**	**13.64%**
SHAREKHAN LIMITED	8750	4.55%	8750	4.55%
MSD ASSOCIATES	5000	2.60%	5000	2.60%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1.30%	6250	3.25%
KHANDWALA TRADELINK CO				
Grand Total	**192500**	**100.00%**	**192500**	**100.00%**

21.1.1. It was observed from the above table that only 7 entities traded in the contract and Noticee 1 and Noticee 2 have contributed about 49% of both buy and sell volume.

21.2. Analysis of reversals by Noticee 1 and Noticee 2 with Noticee 3, Noticee 4 and Noticee 5 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	57500	57500
	SHAREKHAN LIMITED	**5000**	**8750**
	ADROIT FINANCIAL SERVICES PVT LTD	6250	2500
	MSD ASSOCIATES	**1250**	**1250**
	Total	**70000**	**70000**
KAPILA RAJPRAKASH PATEL	PASHUPATI CAPITAL SERVICES PVT LTD	18750	22500
	SHAREKHAN LIMITED	3750	
	MSD ASSOCIATES	**3750**	**3750**
	Total	**26250**	**26250**

21.2.1. From the above table, it was observed that around 94.64% in case of Noticee 1 and 85.71 % in case of Noticee 2 is with the same entities.

22. **Expiry 28-May-15 (Strike Price – 235)**

22.1. Analysis of contribution to volume

	As buyer		As Seller	
Name of the entities	**Trade Quantity**	**% of total**	**Trade Quantity**	**% of total**
PASHUPATI CAPITAL SERVICES PVT LTD	**60000**	**31%**	**60000**	**31%**
RAJPRAKASH HARISH PATEL	**50000**	**26%**	**50000**	**26%**
KAPILA RAJPRAKASH PATEL	**41250**	**21%**	**41250**	**21%**
MSD ASSOCIATES	**18750**	**10%**	**25000**	**13%**
SHAREKHAN LIMITED	**13750**	**7%**	**5000**	**3%**
PATEL HUF H RAJPRAKASH	5000	3%	5000	3%
ADROIT FINANCIAL SERVICES PVT LTD	2500	1%	2500	1%
SILVER STREAM EQUITIES PVT. LTD.			2500	1%
SVS SECURITIES PVT. LTD	1250	1%	1250	1%
Grand Total	**192500**	**100%**	**192500**	**100%**

22.1.1. It was observed from the above table that only 9 entities traded in the contract and Noticee 1 and Noticee 2 have contributed about 47% of both buy and sell volume.

22.2. Analysis of reversals by Noticee 1 and Noticee 2 with Noticee 3, Noticee 4 and Noticee 5 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	ADROIT FINANCIAL SERVICES PVT LTD	2500	2500
	MSD ASSOCIATES	3750	1250
	PASHUPATI CAPITAL SERVICES PVT LTD	42500	35000
	SVS SECURITIES PVT. LTD	1250	
	SHAREKHAN LIMITED		11250
	Total	**50000**	**50000**
KAPILA RAJPRAKASH PATEL	ADROIT FINANCIAL SERVICES PVT LTD		2500
	MSD ASSOCIATES	16250	1250
	PASHUPATI CAPITAL SERVICES PVT LTD	17500	35000
	SILVER STREAM EQUITIES PVT. LTD.	2500	
	SHAREKHAN LIMITED	5000	11250
	Total	**41250**	**41250**

22.2.1. From the above table, it was observed that around 77.50% in case of Noticee 1 and 57.57 % in case of Noticee 2 is with the same entities.

23. **Expiry 25-June-15 (Strike Price – 235)**

23.1. Analysis of contribution to volume

	As buyer		As Seller	
Name of the entities	**Trade Quantity**	**% of total**	**Trade Quantity**	**% of total**
RAJPRAKASH HARISH PATEL	**20000**	**32%**	**20000**	**32%**
MSD ASSOCIATES	8750	14%	20000	32%
KAPILA RAJPRAKASH PATEL	**11250**	**18%**	**11250**	**18%**
PASHUPATI CAPITAL SERVICES PVT LTD			6250	10%
SHAREKHAN LIMITED	21250	34%	3750	6%
ADROIT FINANCIAL SERVICES PVT LTD	1250	2%	1250	2%
Grand Total	**62500**	**100%**	**62500**	**100%**

23.1.1. It was observed from the above table that only 6 entities traded in the contract and Noticee 1 and Noticee 2 contributed about 50% of both buy and sell volume.

23.2. Analysis of reversals by Noticee 1 and Noticee 2 with Noticee 3, Noticee 4 and Noticee 5 in the contract

Entities	Counter parties	Buy	Sell
RAJPRAKASH HARISH PATEL	MSD ASSOCIATES	11250	6250
	SHAREKHAN LIMITED	3750	13750
	PASHUPATI CAPITAL SERVICES PVT LTD	3750	
	ADROIT FINANCIAL SERVICES PVT LTD	1250	
	Total	**20000**	**20000**
KAPILA RAJPRAKASH PATEL	MSD ASSOCIATES	8750	2500
	PASHUPATI CAPITAL SERVICES PVT LTD	2500	
	SHAREKHAN LIMITED	7500	
	ADROIT FINANCIAL SERVICES PVT LTD		1250
	Total	**11250**	**11250**

23.2.1. From the above table, it was observed that around 50 % in case of Noticee 1 and 22.22 % in case of Noticee 2 is with the same entities.

24. Analysis of square of differences in the aforementioned ITM contracts:

Contract	Rajprakash Harish Patel (Rs.)	Kapila Rajprakash Patel (Rs.)
Expiry 26-Mar-15 (Strike Price – 232)	-11,28,562.50	-3,24,500.00
Expiry 30-Apr-15 (Strike Price – 235)	-89,188.00	42,500.00
Expiry 28-May-15 (Strike Price – 235)	-10,79,438.00	-10,25,438.00
Expiry 25-June-15 (Strike Price – 235)	-1,71,438.00	-81,000.00
Total	-24,68,626.50	-13,88,438.00
Grand Total (Rs.)	**Rs. -38,57,064.50**	

24.1. From the above table, it was alleged that Noticee 1 and Noticee 2 had entered into same positions in the subsequent contracts despite incurring losses in the previous contract.

25. Details of the counterparties of the Noticees:

25.1. Counterparties to the trades of Noticee 1 and Noticee 2 as buyers:

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Buy Volume	% of total buy	Number of trades	Buy Volume	% of total buy
PASHUPATI CAPITAL SERVICES PVT LTD	112	236750	62.10%	46	87750	48.41%
MSD ASSOCIATES	21	37500	9.84%	17	33500	18.48%
NIRSHILP SECURITIES PVT LTD	19	29250	7.67%	5	12000	6.62%
SHAREKHAN LIMITED	17	27750	7.28%	19	24250	13.38%
ADROIT FINANCIAL SERVICES PVT LTD	14	22250	5.84%	5	4500	2.48%

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Buy Volume	% of total buy	Number of trades	Buy Volume	% of total buy
SVS SECURITIES PVT. LTD	7	7750	2.03%	3	3750	2.07%
NIRPAN SECURITIES PVT. LTD.	4	6750	1.77%	1	500	0.28%
SOCIETE GENERALE	5	2000	0.52%	1	250	0.14%
INTERACTIVE BROKERS (INDIA) PVT LTD	6	1750	0.46%	1	500	0.28%
GRAVITON RESEARCH CAPITAL LLP	5	1500	0.39%	1	250	0.14%
CNB FINWIZ PRIVATE LIMITED	4	1500	0.39%	6	6750	3.72%
SILVER STREAM EQUITIES PVT. LTD.	1	1250	0.33%	2	2500	1.38%
KHANDWALA TRADELINK CO	1	1250	0.33%	1	2500	1.38%
CPR CAPITAL SERVICES LTD	3	1000	0.26%	1		
PACE STOCK BROKING SERVICES PVT LTD	3	750	0.20%	1		
KREDENT BROKERAGE SERVICES LTD	2	750	0.20%	2	1000	0.55%
SUBBARAO PREMKUMAR	1	250	0.07%	1		
BONANZA PORTFOLIO LTD	1	250	0.07%	1		
SHARE INDIA SECURITIES LTD	1	250	0.07%	1		
GLOBE DERIVATIVES AND SECURITIES LTD	1	250	0.07%	1		
RATHOD JANAKKUMAR R	1	250	0.07%	1		
N.K.SECURITIES	1	250	0.07%			
OPG SECURITIES PVT. LTD.				1	500	0.28%
AUSTIN MANOHAR GONSALVES				1	250	0.14%
JYOTI PORTFOLIO LTD				1	250	0.14%
DIVYA PORTFOLIO PRIVATE LIMITED				1	250	0.14%
Grand Total	**230**	**381250**	**100.00%**			

25.2. Counterparties to the trades of Noticee 1 and Noticee 2 as sellers:

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Sell Volume	% of total sell	Number of trades	Sell Volume	% of total sell
PASHUPATI CAPITAL SERVICES PVT LTD	67	178000	53.09%	34	74250	46.33%
SHAREKHAN LIMITED	43	64750	19.31%	21	30000	18.72%
INTERACTIVE BROKERS (INDIA) PVT LTD	24	48250	14.39%	5	10750	6.71%
MSD ASSOCIATES	15	16500	4.92%	23	32000	19.97%
NIRSHILP SECURITIES PVT LTD	20	11750	3.50%	7	3750	2.34%
ADROIT FINANCIAL SERVICES PVT LTD	4	5500	1.64%	3	4000	2.50%
SVS SECURITIES PVT. LTD	7	3750	1.12%	1	1250	0.78%
KREDENT BROKERAGE SERVICES LTD	4	2500	0.75%	3	1250	0.78%

Counterparty	Noticee 1			Noticee 2		
	Number of trades	Sell Volume	% of total sell	Number of trades	Sell Volume	% of total sell
NIRPAN SECURITIES PVT. LTD.	2	1500	0.45%	4	1000	0.62%
OPG SECURITIES PVT. LTD.	6	1500	0.45%	1	500	0.31%
SILVER STREAM EQUITIES PVT. LTD.	2	500	0.15%			
PACE STOCK BROKING SERVICES PVT LTD	1	500	0.15%			
JYOTI PORTFOLIO LTD	1	250	0.07%			
KHANDWALA TRADELINK CO				1	1250	0.78%
PARWATI CAPITAL MARKET PVT LTD				1	250	0.16%
Grand Total	**196**	**335250**	**100.00%**	**104**	**160250**	**100.00%**

25.3. It was observed majority of the counterparties for Noticee 1 and Noticee 2 were Noticee 3, Noticee 4 and Noticee 5 constituting more than 79% in buy trades and 77% in sell trades.

25.4. Counterparties to the trades of Noticee 3:

ShareKhan Limited as a buyer				ShareKhan Limited as a seller			
Counterparty Name	No. of trades	Trade Quantity	As a % to total	Counterparty Name	No. of trades	Trade Quantity	As a % to total
RAJPRAKASH HARISH PATEL	43	64750	42.81%	RAJPRAKASH HARISH PATEL	17	27750	30.83%
KAPILA RAJPRAKASH PATEL	20	28750	19.01%	KAPILA RAJPRAKASH PATEL	19	24250	26.94%
DINERO FINANCE & INVESTMENTS PVT LTD	10	21250	14.05%	PATEL HUF H RAJPRAKASH	6	8750	9.72%
SUNILKUMAR MANEKLAL PATEL	5	12500	8.26%	SUNILKUMAR MANEKLAL PATEL	5	8750	9.72%
WONDERMAX VINIMAY PVT LTD	3	3750	2.48%	WONDERMAX VINIMAY PVT LTD	5	6250	6.94%
JANAK RAJ KAPOOR	3	3750	2.48%	N.K.SECURITIES	2	2500	2.78%
PATEL HUF H RAJPRAKASH	3	2750	1.82%	GURDEEPSINGH HIMATHSINGH PURSWANI	2	2500	2.78%
GURDEEPSINGH HIMATHSINGH PURSWANI	2	2500	1.65%	INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED	4	2000	2.22%
PACE STOCK BROKING SERVICES PVT LTD	1	1250	0.83%	TCG STOCK BROKING LTD	1	1250	1.39%
KALPTARU INVESTMENTS PVT. LTD.	1	1250	0.83%	HEMA UPRETI	1	1250	1.39%

25.5. Counterparties to the trades of Noticee 5:

Pashupati Capital Services Pvt Ltd as a buyer				Pashupati Capital Services Pvt Ltd as a seller			
Counterparty Name	No. of trades	Trade Quantity	As a % to total	Counterparty Name	No. of trades	Trade Quantity	As a % to total
DINERO FINANCE & INVESTMENTS PVT LTD	17	208750	39.35%	RAJPRAKASH HARISH PATEL	112	236750	68.97%
RAJPRAKASH HARISH PATEL	67	178000	33.55%	KAPILA RAJPRAKASH PATEL	46	87750	25.56%
KAPILA RAJPRAKASH PATEL	34	74250	14.00%	WONDERMAX VINIMAY PVT LTD	5	6250	1.82%
WONDERMAX VINIMAY PVT LTD	19	28750	5.42%	PATEL HUF H RAJPRAKASH	1	5000	1.46%
SUNILKUMAR MANEKLAL PATEL	1	15000	2.83%	SARALA KIRTI DOSHI	1	1250	0.36%
PATEL HUF H RAJPRAKASH	7	7750	1.46%	NIRAJ KUMAR KAJARIA	1	1250	0.36%
MSD ASSOCIATES	3	7500	1.41%	SMC GLOBAL SECUTITIES LTD	1	1250	0.36%
SNEH LATA SHARMA	3	3750	0.71%	INDRANI D V	1	1250	0.36%
PACE STOCK BROKING SERVICES PVT LTD	2	2500	0.47%	GRAVITON RESEARCH CAPITAL LLP	1	1250	0.36%
HEMA UPRETI	1	1250	0.24%	RAMESH LAXMAN SARPHARE	1	1250	0.36%

25.6. Counterparties to the trades of Noticee 4:

MSD Associates as a buyer				MSD Associates as a seller			
Counterparty Name	No. of trades	Trade Quantity	As a % to total	Counterparty Name	No. of trades	Trade Quantity	As a % to total
KAPILA RAJPRAKASH PATEL	23	32000	19.60%	RAJPRAKASH HARISH PATEL	21	37500	25.34%
KHANDWALA TRADELINK CO	19	25000	15.31%	KAPILA RAJPRAKASH PATEL	17	33500	22.64%
RAJPRAKASH HARISH PATEL	15	16500	10.11%	SOCIETE GENERALE	16	14750	9.97%
WONDERMAX VINIMAY PVT LTD	5	10000	6.13%	PASHUPATI CAPITAL SERVICES PVT LTD	3	7500	5.07%
N.K.SECURITIES	7	7750	4.75%	INTERACTIVE BROKERS (INDIA) PRIVATE LIMITED	6	5000	3.38%
KETAN VORA	2	6250	3.83%	PATEL HUF H RAJPRAKASH	1	5000	3.38%
PATEL HUF H RAJPRAKASH	2	5250	3.22%	CNB FINWIZ PRIVATE LIMITED	2	2500	1.69%
NIRSHILP SECURITIES PVT LTD	3	5000	3.06%	GETCO INDIA PRIVATE LIMITED	1	2500	1.69%

MSD Associates as a buyer				MSD Associates as a seller			
KREDENT BROKERAGE SERVICES LIMITED	5	4750	2.91%	KREDENT BROKERAGE SERVICES LIMITED	2	2500	1.69%
PACE STOCK BROKING SERVICES PVT LTD	4	4000	2.45%	KUMAR SHARE BROKERS LIMITED	2	2500	1.69%

25.7. Analysis was carried out for reversal trades in the four contracts as aforementioned. Analysis in the contract having Expiry 26-Mar-15 (Strike Price – 232) among Noticee 1 and Noticee 5 is illustrated as below:

- Reversal trade of Noticee 1 with Noticee 5 for selling 66250 units (1st leg)

Trade Date	Trade Time	Trade Price	Trade Quantity
25/02/2015	11:24:31	52.2	2500
25/02/2015	11:18:10	52.15	2500
24/02/2015	15:10:32	53	2500
24/02/2015	15:08:30	53	2500
24/02/2015	15:08:00	53	2500
24/02/2015	15:07:37	53.05	2500
23/02/2015	14:41:50	46.5	5000
23/02/2015	14:48:34	47	5000
24/02/2015	15:03:09	53	1250
23/02/2015	15:03:50	47.2	5000
24/02/2015	14:58:48	53.3	2500
24/02/2015	14:56:18	53.2	2500
24/02/2015	14:19:08	52.4	2500
24/02/2015	14:17:26	52.75	2500
24/02/2015	13:53:34	50.3	5000
24/02/2015	13:40:28	51	2500
24/02/2015	13:36:33	51	2500
24/02/2015	13:23:14	52.5	2500
24/02/2015	12:31:22	53.4	2500
24/02/2015	13:08:03	54	2500
24/02/2015	13:09:45	54	2500
24/02/2015	13:10:45	54	2500
24/02/2015	13:15:50	53.9	2500

- Reversal trade of Noticee 1 with Noticee 5 for buying 65000 units (2nd leg)

Trade Date	Trade Time	Trade Price	Trade Quantity
25/03/2015	13:13:06	66.4	2500
25/03/2015	13:06:49	66.4	1250

Trade Date	Trade Time	Trade Price	Trade Quantity
25/03/2015	13:06:39	66.4	1250
25/03/2015	12:48:21	66.7	2500
25/03/2015	12:43:05	66.7	1250
25/03/2015	12:39:17	66.7	1250
25/03/2015	12:33:26	66.5	1250
25/03/2015	12:17:26	66.5	2500
25/03/2015	12:07:49	66.7	2500
25/03/2015	11:58:39	66.4	1250
25/03/2015	11:58:39	66.4	1250
24/03/2015	13:55:14	64.1	2500
24/03/2015	13:49:54	64.5	2500
24/03/2015	13:41:44	64.7	1250
24/03/2015	13:40:47	64.7	1250
24/03/2015	13:38:25	64.8	1250
24/03/2015	13:38:24	64.8	1250
24/03/2015	13:37:27	64.8	2500
24/03/2015	13:32:16	64.7	2500
24/03/2015	13:28:08	64.7	2500
24/03/2015	13:27:26	64.7	1250
24/03/2015	13:08:55	64.15	2500
24/03/2015	13:07:54	64.2	2500
24/03/2015	12:56:58	64.4	1250
24/03/2015	12:52:54	64.35	1250
24/03/2015	12:49:30	64.4	2500
24/03/2015	12:46:33	64.4	2500
24/03/2015	12:44:00	64.3	2500
24/03/2015	12:37:11	64.05	2500
24/03/2015	12:35:11	64.15	2500
24/03/2015	12:31:03	64.3	2500
24/03/2015	12:27:03	64.5	2500
24/03/2015	12:26:10	64.6	2500

25.8. It is observed from the above analysis that trades were reversed after a month and the quantity differed. Detail analysis for reversal of trades for contracts having expiry 30-Apr-15, 28-May-15 and 25-Jun-15 was done as illustrated in table 10 -45. In all the cases it is observed that the reversals were done after a month and the quantity differed as summarized below:

Table 46

Expiry 26-Mar-15 (Strike Price – 232)				
Sr. No.	Selling entity	Buying entity	Traded quantity	Trade date
1.	Noticee 1	Noticee 5	66250	23/02/2015 24/02/2015 25/02/2015
	Noticee 5	Noticee 1	67000	24/03/2015

Expiry 26-Mar-15 (Strike Price – 232)				
Sr. No.	Selling entity	Buying entity	Traded quantity	Trade date
				25/03/2015
2.	Noticee 2	Noticee 5	13750	23/02/2015 24/02/2015 25/02/2015
	Noticee 5	Notice 2	15000	24/03/2015
3.	Noticee 1	Noticee 3	6250	24/03/2015 25/03/2015
	Noticee 3	Noticee 1	11250	23/02/2015 24/02/2015
4.	Noticee 2	Noticee 3	6250	23/03/2015
	Noticee 3	Noticee 2	5000	23/02/2015 24/02/2015
5.	Noticee 2	Noticee 4	3750	23/03/2015
	Noticee 4	Noticee 2	5000	23/02/2015
Exp 30-April 15 (Strike Price -235)				
1.	Noticee 1	Noticee 5	57500	24/03/2015 25/03/2015
	Noticee 5	Noticee 1	57500	27/03/2015 27/04/2015 29/04/2015 30/04/2015
2.	Noticee 2	Noticee 5	22500	24/03/2015 25/03/2015
	Noticee 5	Noticee 2	18750	27/04/2015 28/04/2015 30/04/2015
3.	Noticee 1	Noticee 3	5000	27/04/2015
	Notice 3	Noticee 1	8750	25/03/2015
4.	Noticee 1	Noticee 4	1250	27/04/2015
	Noticee 4	Noticee 1	1250	25/03/2015
5.	Noticee 2	Noticee 4	3750	27/04/2015
	Noticee 4	Noticee 2	3750	24/03/2015 24/04/2015
Exp 28-May 15 (Strike Price- 235)				
1.	Noticee 1	Noticee 5	35000	27/04/2015 29/04/2015
	Noticee 5	Noticee 1	42500	26/05/2015 08/05/2015
2.	Noticee 2	Noticee 5	35000	24/04/2015 27/04/2015 28/04/2015 30/04/2015
	Noticee 5	Noticee 2	17500	08/05/2015
3.	Noticee 2	Noticee 3	5000	08/05/2015 26/05/2015
	Noticee 3	Noticee 2	11250	27/04/2015 29/04/2015
4.	Noticee 1	Noticee 4	3750	08/05/2015
	Noticee 4	Noticee 1	1250	29/04/2015
5.	Noticee 2	Noticee 4	16250	26/05/2015 27/05/2015 08/05/2015
	Noticee 4	Noticee 2	1250	24/04/2015
Exp 25-June-15 (Strike Price -235)				

Expiry 26-Mar-15 (Strike Price – 232)				
Sr. No.	Selling entity	Buying entity	Traded quantity	Trade date
1.	Noticee 1	Noticee 4	6250	26/05/2015
	Noticee 4	Noticee 1	11250	23/06/2105 24/06/2015 25/06/2015
2.	Noticee 2	Noticee 4	2500	26/05/2015
	Noticee 4	Noticee 2	8750	23/06/2015 24/06/2015
3.	Noticee 1	Noticee 3	3750	23/06/2015
	Noticee 3	Noticee 1	13750	26/05/2015

26. I note that primary allegation in the SCN is regarding contribution to the volume reversal of trades in the derivative scrip of BOB. In this regard, it would be appropriate to refer to the decision of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in the matter of Global Earth Properties and Developers Pvt. Ltd. Vs SEBI (Appeal No.212 of 2020) dated September 14, 2020, wherein Hon'ble SAT delved into the question as to when reversal of trades constitute non genuine trades. The relevant text of the aforesaid judgement are as follows:

"..11…. reversal of trades are considered to be non-genuine trades if it involves an entity reversing its buy or sell positions in a contract with substantial buy or sell position with the same counter party during the same day…."

27. Further Hon'ble Supreme Court, in the matter of Rakhi Trading (supra), has interalia stated ………… *I am of the considered view that the scheme, plan, device and artifice employed by the Noticee in this case of executing reversal trades in illiquid stock options contracts at irrational, unrealistic and unreasonable prices, tantamount to fraud on the securities market in as much as it involves non-genuine/ manipulative transactions in securities and misuse of the securities market…………*

28. From the aforesaid table no 46, it is observed that the trades have not been reversed on the same days and instead the trades have been reversed after one month. As stated above it has been held that '*reversal of trades are considered to be non-genuine trades if it involves an entity reversing its buy or sell positions*

in a contract with substantial buy or sell position with the same counter party during the same day.' In view of this I note that the trades in question cannot be considered as reversal of trades.

29. I further note that as stated in the Investigation Report, the Noticees were trading near the theoretical price of the option in case of ITM trades. There is no evidence to show that the there was any irrational, unrealistic and unreasonable prices. Further investigation has not alleged of any price manipulation. With respect to submissions by the brokers i.e. Noticee 3, 4 and 5 the trades executed by them were multilegged trades and were algo trades, which combined with the fact that trades were near theoretical price and there was no price manipulation, I am inclined to accept the submissions made by the Noticees Further as the contracts were illiquid possibility of matching the trades with same counterparty cannot be ruled out. Also, for establishing intentional loss transfer, there needs to be established beyond doubt that entities traded with pre-determined plan, scheme or artifice to ensure loss to one party, which is not possible when trades are done near theoretical price and there is no evidence to show price manipulation or the trades were at unrealistic and unreasonable price. I also observe that there is no connection brought out among Noticee 1, Noticee 2 with Noticees 3, 4 and 5. Further, as stated above there are no material before me to establish that the entities have reversed the trades in the option contract of BOB within the same day.

30. On account of the aforesaid observations, I would like to give benefit of doubt and absolve off the Noticees from the alleged charges of violation of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d), 4(1), and 4(2)(a) of PFUTP Regulations, 2003.

31. In this regard, reliance is placed on the order of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in the matter of **KSL & Industries Ltd. Vs. SEBI** (Appeal No. 9/2003), wherein it was held:

"…….A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence is not to be sustained. ……allegation of 'fraud' cannot survive on mere conjectures and surmises."

Reliance is also made on a decision of the Supreme Court in **SEBI Vs Kanhaiya Lal Baldevbhai Patel** and others (2017) 15 SCC 1 *which in our opinion does not support the stand of the respondent in the instant case.* The Supreme Court in the said decision held that ‚fraud' is one which has the effect of inducing another in dealing in securities.

32. SAT had in the matter of **P.G Electroplast Ltd. & Ors. Vs. SEBI** in Appeal no. 281 of 2017 had held that:
"….If it is found that a party has not acted deliberately, then the authority has a discretion, to be exercised judicially, whether in a given case, after taking into consideration of all the relevant circumstances, as to whether penalty should be imposed or not…The above was precisely held by the Supreme Court in M/s. Hindustan Steel Ltd. vs. State of Orrisa, 1969 (2) SCC 627."

33. In view of the above, I do not find it to be a fit case for imposition of penalty under section 15HA of the SEBI Act.

34. In view of the above, the SCN dated December 28, 2021 is disposed of, without imposition of penalty.

35. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date: October 21, 2022	**BARNALI MUKHERJEE**
Place: Mumbai	**ADJUDICATING OFFICER**