



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ADJUDICATING OFFICER

By Speed Post Ack. Due/Email

EAD-1/SBM/VS/26443/2021

September 30, 2021

ADITYA DHABRIA

(PAN No.: AGHPD0399N)

S/O PADAM CHAND DHABRIA,
25 MANBHAVAN NAGAR, KANADIA ROAD,
INDORE, MADHYA PRADESH-452016

Email: ADITYA_DHABRIA@YAHOO.COM

Sub: Notice under rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 read with Section 15I of SEBI Act, 1992

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'); vide communiqué dated July 27, 2021 (Annexure-A), appointed the undersigned as Adjudicating Officer (hereinafter referred to as 'AO') under Section 19 read with Section 15-I(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act, the violation of the relevant provisions of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices related to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'), alleged to have been committed by Aditya Dhabria (hereinafter referred to as 'Noticee') by carrying out non-genuine trades in illiquid stock options at Bombay Stock Exchange (BSE).
2. SEBI observed large scale reversal of trades in Stock Options segment of BSE leading to creation of artificial volume. Pursuant to the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid Stock Options at BSE for the period April 01, 2014 to September 30, 2015 (hereinafter referred to as 'Investigation Period'/'relevant period').
3. It may be noted that reversal trades are considered non-genuine trades if it involves an entity reversing its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. In this regard, artificial volume is considered as the volume (no. of units) reversed

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.बी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 ईमेल : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
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in non-genuine trades, comprising both original volume and reversed volume while keeping out the volume which is not reversed.

4. Pursuant to the investigation, it is alleged that, during the investigation period, a total of 2,91,643 trades comprising substantial 81.38% of all the trades executed in Stock Options Segment of BSE were non-genuine trades. The aforesaid alleged non genuine trades resulted into creation of artificial volume to the tune of 826.21 crore units or 54.68% of the total market volume in Stock Options segment of BSE during the Investigation period.
5. It is further noted that said alleged non-genuine trades were not restricted to any specific contract or between any specific set of entities. It is noted that Noticee was one of the various persons/ entities which were indulged in execution of such alleged non-genuine trades in Stock Options Segment of BSE during the Investigation period. Following points deals with the dealings of Noticee during the Investigation period and allegations against its execution of non-genuine trades.
6. For the purpose of illustration of non-genuine trades and creation of artificial volume by the Noticee, details of trading done by the Noticee in the contract viz. "PTCI15APR80.00PEW4" on March 03, 2015 is given below:

Date	Buyer	Seller	Buy Order Time	Sell Order Time	Trade Time	Trade Rate (₹)	Trade Quantity
30/03/2015	Meet Mehta (HUF)	Aditya Dhabria	13:42:04	13:42:05	13:42:05	3.4	48000
30/03/2015	Aditya Dhabria	Meet Mehta (HUF)	13:38:11	13:34:53	13:38:11	8.2	48000

7. It is observed from the table above that the trades entered by the Noticee in the contract of "PTCI15APR80.00PEW4" on March 03, 2015, with its counterparty viz. Meet Mehta (HUF) were reversed between the Noticee and the same counterparty on the same day resulting in reversal of trades which are, *prima facie*, considered to be as non-genuine. Therefore, in the process artificial volume in the stock option contract at BSE has been generated by the Noticee through such non-genuine trades. From the table above, it is observed that the artificial volume created as no. of units reversed in non-genuine trades is 96,000 units comprising both volume of initial trade and volume of reversal trade,



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while not considering the volume which is not reversed. In the process, it is observed that the Noticee had made a loss of ₹2,30,400/-.

8. It is further observed from the trade data of the Noticee that it has allegedly entered into non-genuine trades in 3 contracts wherein it executed a total of 8 trades all of which were, *prima facie*, non-genuine trades. In view of this, it is alleged that such fraudulent trades of the Noticee had resulted into creation of artificial volume of total 1,77,000 units.
9. In this regard, details of all the alleged non-genuine trades of the Noticee in Stock Option Segment of BSE during relevant period are attached as **Annexure-B**. From the perusal of the trade data of the alleged non-genuine trades of the Noticee, it is observed that Noticee has allegedly executed non-genuine trades in 3 contracts. The total volume of 1,77,000 units generated by the Noticee in these 3 contracts due to its alleged non-genuine trades was artificial volume generated by the Noticee in the stock option segment of BSE. These alleged non-genuine trades, executed by Noticee in above contracts, had significant differential in buy rates and sell rates considering that the trades were reversed on same day.
10. Further, summary of dealings of Noticee in 3 Stock Options contracts in which it had allegedly executed non genuine trades during the relevant period is enclosed as **Annexure-C**.
11. In view of the foregoing, it is alleged that the Noticee, by indulging in execution of reversal trades in Stock Options with same entities on the same day, which were non-genuine in nature, has created false or misleading appearance of trading in the aforementioned contracts traded in the option segment of BSE. In view of the fact that these options contracts were illiquid in nature, having very small volume in trading, the Noticee allegedly created artificial volumes in stock options which was manipulative and deceptive in nature. Therefore, in view of above, it is alleged that the Noticee has violated Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003. The text of aforementioned provisions of law is being reproduced below:

PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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



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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

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

12. The alleged violation of the aforementioned provisions of the PFUTP Regulations, if proved, makes the Noticee liable for penalty under the provisions of Section 15HA of the SEBI Act. The text of the said provisions is reproduced below:

Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

13. In view of the above, the Noticee is required to Show Cause as to why an inquiry should not be held against her in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15 I of the SEBI Act and why penalty, if any, should not be imposed on him under the provisions of Section 15HA of the SEBI Act.
14. Your reply, along with supporting enclosures and documents, should reach the undersigned at the address mentioned below as well as through email at sureshm@sebi.gov.in within 15 (fifteen) days



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from the date of receipt of this Notice, failing which it shall be presumed that you have no submissions to make, in which case, the matter shall be proceeded with on the basis of material/facts on record. You may also indicate in your reply if you desire a personal hearing in the matter. You are also required to submit a copy of your PAN Card and your contact details (contact person, phone number, email details, fax etc.) for our records. Further, in case there is any change in your address or contact details during the period of the current Adjudication Proceedings, the same may be brought to the notice of the Adjudicating Officer immediately.

15. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If you wish to avail the benefit of the settlement process, you may also apply for the same in the manner provided in the said regulations under intimation to the undersigned.

SURESH B. MENON

Enclosures:

List of documents		
Sr. No.	Documents	Annexure
1	Copy of the Appointment Order dated July 27, 2021	A
2	Trade log depicting all non-genuine trades of Noticee in Stock Option segment of BSE during investigation period	B
3	Summary of dealings of Noticee in contracts wherein he executed non-genuine trades	C

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SECURITIES AND EXCHANGE BOARD OF INDIA
Order Communicating Appointment of Adjudicating Officer

1. Whereas in exercise of the powers conferred upon the Competent Authority, Shri Suresh B Menon, Chief General Manager was appointed as Adjudicating Officer vide order/s issued earlier (hereinafter referred as "Original Orders") in respect of cases/entities at Flag C-1.
2. Whereas vide order dated July 26, 2022, the Competent Authority has approved the transfer of the Adjudication proceedings in respect of cases/entities enumerated in Flag C-1 to Adjudicating Officer – CGM (Shri. N Hariharan).
3. Except for the change of Adjudicating Officer, all other terms and conditions in the Original Orders shall remain unchanged and shall be in full force and effect. The Adjudicating Officer shall proceed in accordance with the terms of reference made in the Original Orders read with this Order.
4. The said proceedings of transfer/appointment are hereby communicated to the adjudicating officer to conduct the adjudication proceedings in the manner specified under SEBI Act, 1992, Depositories Act, 1996, SCR Act, 1956 and the respective rules made thereunder. The Adjudicating Officer shall inquire into and adjudicate the alleged violations and if satisfied that the entities have become liable to penalty, may impose such penalty, as the Adjudicating Officer thinks fit, in terms of SEBI Act, 1992, Depositories Act, 1996, SCR Act, 1956 and the respective rules made thereunder.

Dated at Mumbai ^{27th} day of July, 2022.


ASHUTOSH ARUN
DEPUTY GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

Flag C 1

Name of the Entity
ANKUSH GOEL PAN: ARRPG6964D Sugandh Sweets Gmd Road, Sawahar Market Ps Kotwali Po Main, Moradabad, Uttar Pradesh, India, 244001 9837057470; 7895355216
ANNAPURNA COMTRADE PRIVATE LIMITED PAN: AAHCA7902M 19, R.n. Mukherjee Road, 2nd Floor, Kolkata, West Bengal, India, 700001 9330695426, 9830052112
ANNAPURNA DEALMARK PRIVATE LIMITED PAN: AAJCA1640A 196/c, C.r. Avenue, Kolkata, West Bengal, India, 700007 9903354854
ANNU SONI PAN: CQZPS1103B 144 Dhakhin Dharl Lane, Adarsh Apartment 4th Floor, Lake Town, Kolkata, West Bengal, India, 700048 9830094255; 9836615775
ANNU AGARWAL PAN: AEWPA2197J 701, Akshat Nilay Apartment, Hawa Sadak, Civil Lines, Jaipur, Rajasthan, India – 302006 9314010108
ANOJ AGARWAL & SONS HUF PAN: AAEHA1531L 58 – d NetajiSubhas Road, 6th floor Room no. 610, Kolkata, west Bengal – 700001 9830307212, 9831176097
ANOOP KUMAR AGARWAL PAN: AAKHA1450Q 4-5-895/896, Badi Chowdi, Sultan Bazar, Hyderabad, Andhra Pradesh, India, 500095 9849001228; 9849071199
ANOOP KUMAR AGRWAL HUF PAN: AABHA6987P 14 Saket Nagar Colony Lachhipur Po Gorakhnath, Gorakhpur, Uttar Pradesh, India, 273015 9838738125
ANOOP KUMAR KHANDHWAL HUF PAN: AAIHA7799C T-1 Sapphire Anand D – 101, Meera Marg, Bani Park, Jaipur, Rajasthan India 302016 9829010587

ANOO KUMAR TIBREWAL HUF PAN: AAIHA8612A RAJIV NAGAR MAHARAJGANJ, UTTAR PRADESH INDIA - 273301 9415244731
ANSHI GUPTA PAN: ALRPG7334B 43 Buland Bagh Jagat Narayan Road, Lucknow, Uttar Pradesh - 226016 9336613679
ANSHU AGARWAL HUF PAN: AAJHA0516J 6/150, Sector-6 Chiranjeev Vihar Ghaziabad, Uttar Pradesh, India, 201002 9958904568
ANSHU AGGARWAL PAN: AABPA6172A 16 Ram Kishore Road Civil Lines, Delhi 110054 9810655200
ANSHUMAN BANKA HUF PAN: AAIHA4904R SAHAB GANJ PADRAUNA, KUSHINAGAR UTTAR PRADESH INDIA - 274304 9838457000
ANSHUMAN JAIN HUF PAN: AAHHA1616D C 48 Gulmohar Park New Delhi 110049 9810022647
ANTARDHARA PROPERTIES AND FINANCE PVT LTD PAN: AABCA9959L Avinash House Maruti Business Park, G E Road Raipur Chhattisgarh - 492001 9301129478
ANTIQU PROCON PRIVATE LIMITED PAN: AAKCA3986A 62 Nalini Seth Road Ground Floor, Kolkata West Bengal India – 700007 9831781210
ANUBHUTI SALES PRIVATE LIMITED PAN: AAICA4453A 42 Baikunth Chatterjee Lane, 4th Floor Flat U4 Howrah, West Bengal India – 711101
ANUJ BANSAL PAN: AHNPB7707M G-2 FRIENDS APARTMENT CHURCH ROAD, NR ST PAULS SCHOOL CIVIL LINES, AGRA, UTTAR PRADESH, 282002
ANUJ GOEL HUF PAN: AAOHA6516K D-131 MODEL TOWN-II DELHI 110009 9415041981

ANUJ JALAN PAN: ADEPJ3721G JUNGLE NAKAHA NO 2 JUNGLE, BENIMADHAV GORAKHPUR, UTTAR PRADESH -273001 9415339659
ANUJ JALAN HUF PAN: AAMHA8533N Jangal Nakaha No 2, Jangal Madhav, Gorakhpur, Gorakhpur, 273007 9935505506
ANUJ KUMAR GOENKA HUF PAN: AAIHA1937J Flat No-A4 A Pushp Vihar Apartment, Exhibition Road Patna Bihar India - 800001 9431034692
ANUJ MAHESHWARI HUF PAN: AANHA9640M 23A NETAJI SUBHAS ROAD 3RD FLOOR, ROOM NO 14 KOLKATA WEST BENGAL INDIA - 700001 9331840086
ANUJ MITTAL HUF PAN: AAKHA4224J Club Town, Block-5, Flat-2a, V.I.P. Road, Tegharia, North 24 Parganas, Kolkata West Bengal India - 700052 9433555550
ANUJA LODHA PAN: ACMPL6562A BLOCK-IV, PLOT NO-13, EROS GARDEN, METROURBAN-INR, CHARMWOOD VILLAGE, FARIDABAD HARYANA -121002 9958258000
ANUP CHAND SETHIA & OTHERS HUF PAN: AACHA0846E 4, Ho Chi Minh Sarani, Flat 4b, 4th Floor Middleton Row Kolkata West Bengal 700071 9830056283
ANUP KRISHNA MANGAL HUF PAN: AAHHA8327D Mahajan Streetchandausi Sambhal, Uttar Pradesh India - 202412 8077543900
ANUP KUMAR AGRAWAL HUF PAN: AAJHA3545D Estelle Apartments Flat 6a 50a, Prince Anwarsaha Road Tollygunge, Kolkata West Bengal India – 700033 8583053359 ; 9433003752

ANUP KUMAR SINGHANIA HUF PAN: AACHA3427P Dover Enclave Flat No.501, 5th Floor 16/1, Dover Lane, Kolkata West Bengal 700029 9831850921
ANUPAM ADVISORY PRIVATE LIMITED PAN: AAECA1310Q 31 33 Rameshwar Malia 1st Bye Lane, 2nd Floor Howrah West Bengal 711101 9830455500
ANUPAM SHAH - HUF PAN: AAHHA0182N Co Nipha Exports Pvt Ltd, 48, Ganga Jamuna Apartments, 281 Shakespeare Sarani Kolkata West Bengal India - 700017 9831132583
ANUPAM SOMANI HUF PAN: AALHA4528A 978 KISAN MARG BARKAT NAGAR, JAIPUR RAJASTHAN INDIA - 302015 9928092495
ANURADHA GUPTA PAN: ABRPS4649D WO MOHIT GUPTA #57 MASTER TARA SINGH NAGAR, JALANDHAR PUNJAB - 144001 9814138487
ANURADHA RATHI PAN: AQEPR1635A CK-120 SALT LAKE SECTOR - II BLOCK - CK, WARD NO - 13 BIDHAN NGR N 24 PGS, KOLKATA, WEST BENGAL, 700091 9007107584
ANURAG AGARWAL PAN: AAWPA2098J B-63-64 Moti Kunj, Behind Sacred Heart Convent School, Mathura, Mathura, U.p., India, 281001
ANURAG AGRAWAL HUF PAN: AAOHA8141E 52 NEW CLOTH MARKET CO FASHION SAREE KENDRA, PANDRI RAIPUR CHHATTISGARH INDIA - 492001
ANURAG CHOWDHARY HUF PAN: AALHA3897G CA-206, Sector-1, Salt Lake, Near Ca Market Kolkata West Bengal India - 700064 9831096888
ANURAH FINVEST PVT LTD PAN: AACCA1611N 71 Canning Street 4th Floor, Room No C456 Kolkata West Bengal India 700001

ANURAG JAIN HUF PAN: AANHA2249C H-15 GAUTAM MARG SHYAM NAGAR AJMER ROAD, JAIPUR RAJASTHAN 302019 9829099776
Abhinav Agarwal PAN (AMSPA5945N) C/o Abhinav Agarwal, Opposite Dr Anurag Mehrora, Civil Lines, Moradabad, UP 244001
A K Agarwal HUF PAN: AADHA7899A 7190 1 9 B ASHOKA ENCLAVE, SWAROOP NAGAR, KANPUR, UTTAR PRADESH 208002
A K Zaveri PAN: AALFA3878M 78 ISCON CENTRE, SHIVRANJANI CHAR RASTA, SATELLITE, AHMEDABAD 380015
A.K. Khandelwal HUF PAN: AAEHA7853D MAIN ROAD,SANWER, INDORE,MADHYA PRADESH - 453551
Aakarsh Asawa Beneficiary Trust PAN: AACTA0633M 11 WATKINGS LANE, 4TH FLOOR HOWRAH , WEST BENGAL 711101
Aarohi Finstock Pvt Ltd PAN: AAACA5893L SF-9, WESTERN CHAMBERS, 7A/41 WEA,KAROL BAGH, NEW DELHI 110012
A and R Entrprise Private Limited PAN: AAJCA8830E A-1187, G.D COLONY, CO NIIT COMPUTRES, MAYUR VIHAR -3, NEW DELHI - 110091
A B Plastics Private Limited PAN: AAECA1048F 1617, G CIVIL LINES, KANPUR, UTTAR PRADESH - 208001
ABHISEK SAHA (PAN No.: CCCPS4444N) 62 Rajmohan Road, Uttarpara Hooghly, Hooghly, West Bengal-712258

ABHISHEK CHAKRABORTY (PAN No.: AGBPC9453A) BK C FT 1B LOBBY 1SHERWOOD EST, NR BIG BAZAR, 169 NSC BOSE RD, NARENDRAPUR SONARPUR S24PGNS, SOUTH 24 PARGANAS, WEST BENGAL-700103
ABHISHEK GUPTA (PAN No.: ADRPG4945N) GUPTA NIWAS, GUPTA CABLES COMPOUND OLD STATION ROAD, BHUBANESWAR, ODISHA -751006
ABHISHEK KANODIA (PAN No.: BXNPK9392N) FE 523 1ST FLOOR SECTOR 3, SALT LAKE CITY NORTH 24 PARGANAS, KOLKATA, WEST BENGAL-700106
ABHISHEK KAYAN (PAN No.: AGBPK1343D) 48A1, TOLLYGUNGE CIRCULAR ROAD, NEW ALIPORE, KOLKATA, WEST BENGAL, 700053
ABHISHEK MAHESHWARI (PAN No.: ADZPM1120F) 2B1 AND 2B2, DOBSON ROAD, GOLABARI HOWRAH, WEST BENGAL -711101
ABHISHEK SHROFF (PAN No.: BZIPS5503C) B-108 DEFENCE COLONY, NEW DELHI-110024
ABHISHEK AGARWAL HUF (PAN No.: AAGHA3171G) PLOT NO.20, AWAS VIKAS COLONY, NAINITAL ROAD, RUDRAPUR, UTTARAKHAND-263153
ABHISHEK ASHVINBHAI KAMDAR (PAN No.: APOPK3907P) A-901 SHALIBHADRA APPARTMENT, KAILAS NAGAR MAJURA GATE, SURAT, GUJARAT-395002
ABHISHEK BAJLA HUF (PAN No.: AAMHA9042C) FLAT NO 1AB, BLOCK II, CLUB TOWN, COMPLEX,VIP ROAD, TEGHORIA, KOLKATA, WEST BENGAL - 700052
ABHISHEK BHUTRA HUF (PAN No.: AANHA7007C) SHYAMA SADAN 48 DOBSON ROAD, BLK B 6TH FLR F NO 605, PS GOLABARI, NR HOWRAH AC MKT, HOWRAH WEST BENGAL -711101
ABHISHEK ENTERTAINMENT & FOODS PVT LTD (PAN No.: AAECA7548N) 20G PARK STREET, SHAKESPEARE SARANI, KOLKATA, WEST BENGAL-700016

ABHISHEK KUMAR AGARWAL & SONS HUF (PAN No.: AALHA9320E) SHANTI VIHAR 206B, S K PURI BORING CANAL ROAD, PATNA, BIHAR-800001
ABHISHEK MANAKCHAND DARDA (PAN No.: AETPD5734P) K804, K WING, GREENWOODS CHS, CHAKAL ANDHERI KURLA RD, ANDHERI EAST, MUMBAI, MAHARASHTRA -400093
ABHISHEK PATODIA HUF (PAN No.: AAKHA5917L) 9 JAGMOHAN MULLICK LANE, 3RD FLOOR, KOLKATA, WEST BENGAL-700007
ABHISHEK RANIWALA HUF (PAN No.: AAJHA9680B) 43 SUNDER NAGAR, NEAR AXIS BANK, MALVIYA NAGAR, JAIPUR, RAJASTHAN-302017
ABHISHEK SARAF HUF (PAN No.: AAKHA7517A) CO ACME INDUSTRIES CORPORATION 1, 16 INDIA EXCHANGE PLACE, GR FLOOR, KOLKATA, WEST BENGAL-700001
ABHISHEK SHARMA HUF (PAN No.: AAMHA8375E) 20 1P, MOTILAL BASAK LANE KOLKATA, WEST BENGAL-700054
ABHISHEK SINGHANIA (PAN No.: EMFPS6477E) 111 NETAJI SUBHAS CHANDRA BOSE ROAD, REGENT PARK, KOLKATA, WEST BENGAL- 700040
ABHISHEK STOCK BROKING SERVICES PVT LTD (PAN No.: AACCA2446H) 9 LAL BAZAR STREET, BLOCK A 3RD FLOOR, ROOM NO 1, KOLKATA, WEST BENGAL- 700001
ABHIYANT RANIWALA HUF (PAN No.: AANHA6514L) 11, VASUNDHARA COLONY BEHIND BIG BAZAR, TONK ROAD, JAIPUR, RAJASTHAN- 302017
ACHAL AGARWAL (PAN No.: AAKPA4293P) 105 NEHRU NAGAR, AGRA, UTTAR PRADESH 282002
ACHAL AGARWAL HUF (PAN No.: AADHA6921M) 105 NEHRU NAGAR, AGRA, UTTAR PRADESH 282002
ADARSH BHALOTIA HUF (PAN No.: AAJHA9920N) 18G ALIPORE ROAD, BLOCK C, KOLKATA, WEST BENGAL-700027

ADARSH MONI (PAN No.: AADHA3447C) 601 NAGESHWAR VILLA, OLD SALES TAX ROAD, THANA SWAROOP NAGAR, KANPUR, UTTAR PRADESH-208002
ADARSH SARAF (PAN No.: AWTPS9586Q) D 68 1 BANGUR AVENUE LAKE TOWN,KOLKATA, WEST BENGAL-700055
ADHUNIK PROPERTIES PVT LTD (PAN No.: AAHCA7165L) 164/1 MANICKTALA MAIN ROAD, MANI SQUAREMALL, 7TH FLOOR ROOM NO 7E, E M BY PASS KOLKATA, WEST BENGAL-700054
ADHUNIK VENTURES PRIVATE LIMITED (PAN No.: AAHCA7165L) 164/1 MANICKTALA MAIN ROAD, MANI SQUAREMALL, 7TH FLOOR ROOM NO 7E, E M BY PASS KOLKATA, WEST BENGAL-700054
ADI NARAYAN GUPTA (PAN No.: AASPG3101C) GUPTA NIWAS, GUPTA CABLES COMPOUND,OLD STATION ROAD, BHUBANESWAR, ODISHA-751006
ADINARAYAN GUPTA HUF (PAN No.: AAFHA7213N) GUPTA NIWAS, GUPTA CABLES COMPOUND, OLD STATION ROAD, BHUBANESWAR, ODISHA-751006
ADITI AGARWALLA (PAN No.: AJWPS8319R) 7A RAJA SANTOSH ROAD, ALIPORE CIRCUS AVENUE, KOLKATA, WEST BENGAL- 700027
ADITI CHANDRA (PAN No.: AEXPC7314L) A104 SILVER SETATE, F29 SECTOR 50, NOIDA, UTTAR PRADESH -201301
ADITI GARG (PAN No.: BNQPG6318B) C 25 KAMLA NAGAR AGRA, UTTAR PRADESH-282005
ADITI JHUNJHUNWALA (PAN No.: AIVPJ5461H) 113B RIPON STREET, KOLKATA, WEST BENGAL-700016
ADITI PODDAR (PAN No.: AFUPP5707L) 227 SALKT LAKE CITY, KOLKATA, WEST BENGAL -700064

ADITI SHAH (PAN No.: ARBPB5327P) 8C MAHARSHI DEBENDRA ROAD 6TH FLOOR, KOLKATA, WEST BENGAL-700007
ADITI CHACHAN TRUST (PAN No.: AAATA9023B) 74 NARKELDANGA, MAIN ROAD BLOCK 3, 6TH FLOOR 6 P LAKE DISTRICT, NR SWABHUMI, KOLKATA, WEST BENGAL-700054
ADITI ENTERPRISES PRIVATE LIMITED (PAN No.: AACCA5139R) 264 SHRINAGAR EXTENSION, INDORE, MADHYA PRADESH-452018
ADITI SANCHAR SUVIDA(P) LTD. (PAN No.: AACCA2081N) 27 BRABOURNE ROAD 4TH FLOOR ROOM NO. 401, KOLKATA, WEST BENGAL-700001
ADITI SHARMA (PAN No.: DZPPS4747P) 718 SECTOR -7 BLOCK -C, FARIDABAD, HARYANA-121006
ADITYA AGARWAL (PAN No.: AUBPA6000F) S O MANISH KUMAR S 5 AMBA BARI, JAIPUR, RAJASTHAN-302039
ADITYA CHOWDHARY (PAN No.: AFKPC6360G) CD 77 SECTOR I SALT LAKE, KOLKATA, WEST BENGAL-700064
ADITYA DHABRIA (PAN No.: AGHPD0399N) S/O PADAM CHAND DHABRIA, 25 MANBHAVAN NAGAR, KANADIA ROAD, INDORE, MADHYA PRADESH-452016
ADITYA GOEL (PAN No.: AXUPG0150G) BH 192 SALT LAKE, SECTOR 2, NORTH TWENTY FOUR PARGANAS, SECH BHAWAN, BIDHANNAGAR, KOLKATA, WEST BENGAL-700091
ADITYA NAHATA (PAN No.: AFRPN0813J) 155A B.K. PAUL AVENUE, KOLKATA, WEST BENGAL -700005
ADITYA AGRO INDUSTRY (PAN No.: AAIFA4420E) ADITYA AGRO INDUSTRY, INDUSTRIAL AREA, SIRSA, HARYANA-125055
ADITYA AIRLINES PVT LTD (PAN No.: AAACI6343M) 2456, BIRHANA ROAD, KANPUR, UTTAR PRADESH-208001

ADITYA ANURAG (PAN No.: AADHA1809E) ROOM NO.56 FLOOR 10th, 02 BY LIFT SOMDUTT PLAZA, KANPUR, UTTAR PRADESH 208001
ADITYA BAGARIA & SONS HUF (PAN No.: AAJHA3306E) BARPETA ROAD, BARPETA, ASSAM-781315
ADITYA BULLIONS & BROKING PVT LTD (PAN No.: AAFCA7448E) 320 TULSIANI CHAMBERS, 212 FREEPRESS JOURNAL MARG, NARIMAN POINT, MUMBAI, MAHARASHTRA-400021
ADITYA CHACHAN TRUST (PAN No.: AABTA7971P) 741, NARKELDANGA MAIN ROAD, BLOCK 3, KOLKATA, WEST BENGAL-700054
ADITYA DUBEY HUF (PAN No.: AAOHA7003H) 11095 RAM KRISHNA NAGAR, KANPUR, UTTAR PRADESH-208012
ADITYA GOYAL (PAN No.: AIOPG0285H) HOUSE NO 5-2-1984 DISTILLERY ROAD, RANIGUNJ, HYDERABAD, ANDHRA PRADESH-500003
ADITYA KUMAR GANERIWALA (HUF) (PAN No.: AACHA4967L) 591 BLOCK-O, NEW ALIPORE, KOLKATA, WEST BENGAL-700053
ADITYA KUMAR MISHRA HUF (PAN No.: AAHHA7482F) 106/247, GANDHI NAGAR, KANPUR, UTTAR PRADESH-208012
ADITYA MAHESHWARI (HUF) (PAN No.: AANHA9871L) 23A NETAJI SUBHAS ROAD, 3RD FLOOR ROOM NO 14, KOLKATA, WEST BENGAL- 700001
ADITYA NEOTIA HUF (PAN No.: AAOHA4160M) MUKUND 6/1/3 QUEENS PARK, KOLKATA, WEST BENGAL-700019
ADITYA RUNGTA (HUF) (PAN No.: AAKHA0483R) 76, BANGUR AVENUE BLOCK-C, 2ND FLOOR, OFF-2B, JADULAL MULICK ROAD, KOLKATA, WEST BENGAL-700055
ADITYA SARAF HUF (PAN No.: AAKHA8117N) C/O SITARAM MAHABIR PRASAD CO, 16 INDIA EXCHANGE PLACE GR FLOOR, KOLKATA, WEST BENGAL-700001

ADITYA TULSIAN (PAN NO.: AKBPT8891R) ANAND COTTAGE NO 5, 117K13 E-5 MOTI VIHAR SARVODAY NAGAR, KANPUR, UTTAR PRADESH-208025
ADONIS NIRMAN PRIVATE LIMITED (PAN NO.: AAGCA8131K) ROOM NO.704, 7TH FLOOR, CITY CENTRE, 19, SYNAGOGUE STREET KOLKATA, WEST BENGAL-700001
ADV CONSULTANTS PRIVATE LIMITED (PAN NO.: AACCH3532K) EDCONS COURT, 71B HAZRA ROAD, 1ST FLOOR, KOLKATA, WEST BENGAL-700026
ADWELTH SOLUTION (PAN NO.: AARFA6590N) 6 THAKUR BARI ROAD, KALIGHAT, KOLKATA, WEST BENGAL-700029
AGARWAL FOUNDARIES (PAN NO.: AEOPK6930M) RAMA TOWERS 5-4-83 RAMA TOWERS TSK CHAMBERS, 2ND FLOOR SECUNDERABAD, ANDHRA PRADESH -500003
AGARWAL BULLION LIMITED (PAN NO.: AADCK2585Q) E 109 CRYSTAL PLAZA, NEW LINK ROAD OPP FAME ADLABS, ANDHERI WEST, MUMBAI 400053
AGARWAL PAWAN KUMAR HUF (PAN NO.: AAKHA4764K) P NO 8 AND 9 RADHASWAMY CO OP SOCIETY, SIKH VILLAGE, SECUNDERABAD, ANDHRA PRADESH-500009
AGARWAL SANJAY RAJKUMAR (PAN NO.: AACHA6905J) 1 ZEEL RAW HOUSE, NEAR AMAN FLATS, RAMBAUG BH I B P PETROL, MANINAGAR, AHMEDABAD, GUJARAT-380008
AGARWAL TRADEMART PRIVATE LIMITED (PAN NO.: AAGCA7124E) LNJ NAGAR, MORDI BANSWARA, RAJASTHAN-327001
AGGARWAL ASSOCIATE (ARUNA GUPTA) (PAN NO.: ACSPG7802Q) EA-54 INDERPURI, DELHI -110012
AGRAWAL RAJKUMAR JAGANNATH HUF (PAN NO.: AAHHA0282K) 1 JEEL RAW HOUSE NEAR AMAN FLATS, RAMBAUG BH I B P PETROL, MANINAGAR, AHMEDABAD, GUJARAT-380008
ANUSHREE AGRAWAL PAN: AMRPB7245H W/O CHETAN AGARWAL GR HOUSE, AGRAWAL COMPLEX, OPP PANDEY NURSING HOME, SAMTA COLONY, RAIPUR, CHHATTISHGARH - 492001

ANUSHREE BADGAMIA PAN: ADHPJ1969R 3172, ROAD NO. 72, PUNJABI BAGH WEST, NEW DELHI - 110026
ANUSHTHA PASARI PAN: CEBPP5704B D O SURENDR KUMAR PASARI, H NO. A 19, CHANDRA VIHAR CO NEAR C M R - I BARTAND, DHANBAD, JHARKHAND - 826001
ANUSUYA GIRDHARILAL KHAITAN PAN: AAOPH6269M 117 P J TOWER DALAL STREET, MUMBAI, MAHARASHTRA - 400023
ANUTTAR MERCANTILES PVT LTD PAN: AAKCA3516G FLAT NO. B 76. 7TH FLOOR B BLOCK, 35 DR ABANI DUTTA ROAD, GOLABARI, KOLKATA WEST BENGAL - 711106
ANZ SECURITIES PRIVATE LIMITED PAN: AADCA6432C SHREE BHAWAN A.T. ROAD, NEAR ORIENTAL BANK OF COMMERCE, JORHAT, ASSAM - 785001
APEX CAPITAL MARKETS LIMITED PAN: AACCA2319K OM TOER 32 CHOWRINGHEE ROAD, 2ND FLOOR, UNIT NO - 205, KOLKATA, WEST BENGAL - 700071
APNAPAN MERCANTILE PRIVATE LIMITED PAN: AAHCA0515E 39B KANKURGACHI 2ND LANE, 3RD FLOOR KOLKATA, WEST BENGAL - 700054
APSARA COMMODEAL PRIVATE LIMITED PAN: AAJCA0184F 91A, RAMANATH SADHU LANE, KOLKATA, WEST BENGAL - 700007
APURVA DIXIT PAN: AJUPD1917C FLAT NO. 201 B 985 SECTOR A, SUNRAYS HOUSE NEAR CHANNI LAL, LUCKNOW, UTTAR PRADESH - 226006
APURVA KHAITAN PAN: AVGPK0624F 10 QUEENS PARK, KOLKATA, WEST BENGAL - 700019
AR DEALERS PRIVATE LIMITED PAN: AAJCA0340F 33 C R AVENUE 3RD FLOOR ROOM NO. 302, KOLKATA, WEST BENGAL - 700012
ARADHANA COMMERCIAL PVT. LTD. (PAN NO.: AAGCA1276R) 28/1B, BHATTACHARJEE PARA ROAD, KOLKATA, WEST BENGAL-700063
ARADHYA VINIMAY PRIVATE LIMITED (Also known as INSTASMART SALES & AGENCIES PRIVATE LIMITED) (PAN NO.: AAHCA8395A) 6 MEERBAHAR GHAT STREET, 1ST FLOOR, NEAR J K ENTERPRISES, KOLKATA, WEST BENGAL-700007

ARBITRAGE SECURITIES PVT LTD (PAN NO.: AAHCA4915A) 1ST FLOOR, ROOM NO.1, KAMAKHYA UMANANDA BHAWAN A.T.ROAD, NEAR PALTAN BAZAR OVER BRIDGE GUWAHATI Kamrup, ASSAM-781001
ARCHANA AGARWAL (PAN NO.: AJHPA2712M) 17 ROOP CHAND RAI STREET, 2ND FLOOR NR BURRA BAZAR POLICE STATION, KOLKATA, WEST BENGAL-700007
ARCHANA GARG (PAN NO.: AIWPG8833D) F-8 ASHOK VIHAR PHASE -1, DELHI-110052
ARCHANA LAKKAR (PAN NO.: ABPPL7873E) 921, B, MOULANA ABUL KALAM AZAD SARANI, RUKMANI PARASMANI APTS FLAT NO-8 PH, 8TH FLOOR, KOLKATA, WEST BENGAL -700054
ARCHANA RUNGTA PAN: ACHPR3217R ORBIT REGENCY 29A, BALLYGUNGE PARK, FLAT NO. 3B, 3RD FLOOR, KOLKATA, WEST BENGAL - 700019
ARCHANA SHAH PAN: ADUPS9191B 93 SHREE NAGAR MAIN INDORE, MADHYA PRADESH - 452001
ARCHANA TOSHNIWAL PAN: DRPT4061C CLUB TOWN HOUSING COMPLEX, 11 FLAT 4 E VIP OAD, KOLKATA WEST BENGAL – 700052
ARCHANA CHOWDHARY PAN: ADRPC4326K PURTI SEASONS, FLOOR 1A22, BUROSHIB TALA MAIN ROAD, AUTUMN BLOCK, KOLKATA, WEST BENGAL - 700038
ARCHANA DEVI KEDIA PAN: AFZPK2950F 129A, BANGUR AVENUE, BLOCK – A, NORTH 24 PGS, KOLKATA, WEST BENGAL - 700055
ARCHANA JAIN PN: ACPPJ8060Q H NO. 35 – A SHANTI LIC COLONY NE, AJMER, RAJASTHAN – 305001
ARCHANA RAJENDRA MALU PAN: ABEPM4622K 237, 8TH LANE CHANDAN BUNGLOW, AZAD ROAD JAYSINGPUR, TAL-SHIROL, DIST- KOLHAPUR, MAHARASHTRA – 416101
ARCHIT AGARWAL PAN: AKHPA8970E S/O ACHAL AGARWAL, 105 NEHRU NAGAR CIVIL LINE, NEAR NEHRU PARK, AGRA, UTTAR PRADESH - 282002

ARCHIT GUPTA PAN: BDPPG6688Q 9, HAMID ROAD CITY STATION, LUCKNOW, UTTAR PRADESH - 226018
ARCHIT GUPTA PAN: BLIPG9740D C - 603 NEW FRIENDS COLONY, NEW DELHI - 110065
ARCHITA KASAT PAN: AMGPJ5593B BE - 75 SALT LAKE CITY, BLOCK BE SECTOR 1, BIDHAN NAGAR, NORTH NEAR CAP CAMP, KOLKATA, WEST BENGAL - 700064
ARCHITA AGARWAL PAN: AQDPA0871G 117, H 2176, PANDU NAGAR, KANPUR, UTTAR PRADESH - 208005
ARHAM VYAPAAR PRIVATE LIMITED PAN: AAGCA6925P SHANTINIKETAN FLAT NO 8, 15TH FLOOR CAMAC STREET, KOLKATA, WEST BENGAL - 700071
ARIF SUKHIYANI PAN: AIHPS0818F 1616 CIVIL LINES, KANPUR, UTTAR PRADESH - 208001
ARIHANT JAIN PAN: AJTPJ5271C D - 33123 VASANT KUNJ NEW DELHI - 110070
ARIHNT KLOCKER MARKETING PVT LTD PAN: AAACA9577F 9TH FLOOR, AGARWAL COMPLEX, NR. MUNICIPAL MKT, C.G. ROAD, NAVRANGPURA, AHMEDABAD, GUJARAT - 380009
ARIHANT FINSEC LTD/ARIHANT LIFESPACE INFRA DEVELOPERS LIMITED PAN: AAHCA0334P E 5, RATLAM KOTHI, INDORE, MADHYA PRADESH - 452001
ARIHANT VINCOM PRIVATE LIMITED PAN: AAICA4929M 15, NOORMAL LOHIA LANE, 3RD FLOOR, KOLKATA, WEST BENGAL - 700007
ARJUN DAS KAMALA DEVI PAN: AAAHA7083F 5557 KAHOO KOTHI, KANPUR, UTTAR PRADESH - 208001
ARJUN DAS SANJAY KUMAR HUF PAN: AAFHA4271G 5557 KAHOO KOTHI, KANPUR, UTTAR PRADESH - 2080001
ARPAN TIEUP PVT LTD PAN: AADCA9002E 12, LINDSAY STREET 1ST FLOOR, KOLKATA, WEST BENGAL - 700087
ARPANA AGARWAL PAN: ACVPA2901P AE 32 SECTOR I BLOCK AE, NEAR 4 NO TANK, BIDHAN NAGAR, KOLKATA, WEST BENGAL - 700064

ARPANA MANGLA (PAN NO.: AIAPM1858L) E 130 BLOCK E NARAINA VIHAR, NEW DELHI 110028
ARPIT AGARWAL (PAN NO.: BNBPA1591F) 2464A FRIST FLOOR BIRHANA ROAD, KANPUR, UTTAR PRADESH-208001
ARPIT PATODI (PAN NO.: ABSPP3066E) VIDYA NILAY, 45, SHANTI NIKETAN, INDORE, MADHYA PRADESH -452006
ARPIT AGRAWAL HUF (PAN NO.: AAOHA7022C) P 63 EMPIRE RESIDENCY, PIPLIYAHANA BEHIND APS, INDORE, MADHYA PRADESH-452020
ARPIT JAIN (PAN NO.: AXGPJ1549J) MANI TOWER, FLAT NO 6, UB 31 41, BINOVA BHAVE ROAD, KOLKATA, WEST BENGAL-700038
ARRIANA BEGANI TRUST (PAN NO.: AACTA9086A) 63, BURTOLLA STREET, 2ND FLOOR, KOLKATA, WEST BENGAL-700007
ARROWLINK CHEMICAL PRIVATE LIMITED (PAN NO.: AAKCA1933D) 42, B.B. GANGULY STREET, 1ST FLOOR, KOLKATA, WEST BENGAL-700012
ARROWSPACE TREXIM PVT LTD (PAN NO.: AAKCA4008M) 52, WESTON STREET, KOLKATA, WEST BENGAL-700012
ARTI SRIVASTAVA (PAN NO.: AATPS4676D) 4281 B CHAK NO 4, PURANA VISHNUPURI, KANPUR, UTTAR PRADESH -208002
ARUN AGGARWAL (PAN NO.: ADQPA9390J) FLAT NO-210, 2ND FLOOR, NARAYANI RESIDENCY, UDIT NAGAR, ROURKELA, ODISHA -769012
ARUN ENTERPRISES (PAN NO.: ACIPK8046L) BANASHREE VILLA, PLOT NO-225, RUKAR COLONY, KOLHAPUR, MAHARASHTRA-416005

ARUN KUMAR (PAN NO.: ABXPK4045K) BALKISHUN GANJ, SAMPATCHAK, PATNA, BIHAR -800007
ARUN AGGARWAL HUF (PAN NO.: AAKHA5874N) FLAT NO-210, 2ND FLOOR, NARAYANI RESIDENCY UDITNAGAR, ROURKELA, ODISHA-769012
ARUN GOEL HUF (PAN NO.: AAHHA0733R) C-421, SURAJ KUND COLONY, GORAKHPUR, UTTAR PRADESH-273015
ARUN KUMAR AGARWAL (PAN NO.: ACFPA2396A) 6171 LALA LAJPUT RAI ROAD, WARD NO 14, ASHRAMPARA, SILIGURI M CORP, DARJEELING, SILIGURI, WEST BENGAL -734001
ARUN KUMAR AGRAWAL (PAN NO.: AABHA7915H) SHANTI VIHAR 206B, S K PURI, PATNA, BIHAR-800001
ARUN KUMAR BANTHIA (PAN NO.: AEGPB5876F) NO 24 GOPAL CHANDRA MUKHERJEE, KOLKATA, WEST BENGAL-711101
ARUN KUMAR CHOUDHARY (PAN NO.: ABLPC1549C) E 118 RAM NAGAR VISTAR KATARIYA COLONY, SODALA, JAIPUR, RAJASTHAN- 302006
ARUN KUMAR GOENKA (PAN NO.: ACZPG7689N) 5371, DUM DUM PARK SHIMULIA APPARTMENT, KOLKATA, WEST BENGAL -700055
ARUN KUMAR GOYAL (PAN NO.: AGBPG9517F) H.NO-8-2-674-6 FLAT NO-E-102, FORTUNE ENCLAVE, BANJARAHILLS, HYDERABAD, ANDHRA PRADESH-500034
ARUN KUMAR JALUKA (PAN NO.: ACQPJ1808H) 96, MUKTARAM BABU STREET, KOLKATA, WEST BENGAL-700007
ARUN KUMAR KEDIA (PAN NO.: AEYPK6259D) 32 33 MATRUMAL LOHIA LANES, ALKIA BANDHA GHAT, HOWRAH M CORP, HOWRAH, WEST BENGAL-711106

ARUN KUMAR PODDAR HUF (PAN NO.: AAMHA5264Q) FLAT 28/12, 3RD FLOOR, 8 HO CHI MIN SARANI, KOLKATA, WEST BENGAL-700071
ARUN KUMAR SAXENA (PAN NO.: BRLPS1779M) M 2129 SECTOR 1, JANKIPURAM, LUCKNOW, UTTAR PRADESH-226021
ARUN KUMAR SHAH HUF (PAN NO.: AADHA1066P) 1A, ASHUTOSH MUKHERJEE ROAD, KOLKATA, WEST BENGAL-700020
ARUN M CHAVAN HUF (PAN NO.: AAGHA3982D) FLAT NO 4, 3RD FLOOR, HOME WORTH BLDG, GULMOHAR CROSS RD NO 7, JVPD SCHEME, MUMBAI, MAHARASHTRA-400049
ARUN MOHLA HUF (PAN NO.: AACHA6551Q) 11736 N, BLOCK KAKA DEO, KANPUR, UTTAR PRADESH-208025
ARUNA DEBI DUGAR (PAN NO.: AKYPD8287E) 54, HARISH MUKHERJEE ROAD, BHAWANI PORE, KOLKATA, WEST BENGAL-700025
ARUNIMA GULATI (PAN NO.: AHKPG3470B) B 2 2 RAJOURI GARDEN, DELHI-110027
ARUNODAY MERCHANTS PRIVATE LIMITED (PAN NO.: AACCA2486K) 8 1 LAL BAZAR STREET, 3RD FLOOR, ROOM NO 1, KOLKATA, WEST BENGAL- 700001
ARVIND KUMAR SURESH CHANDBAGDI (PAN NO.: AABHA2754C) 30, SRADDHANAND MARG, CHHAWANI, INDORE, MADHYA PRADESH-452001
ARVINDKUMAR BABULAL ALMAL (PAN NO.: AAPPA7883E) SUKHSHANTI BANGLOW NEAR NAVROJI HALL, SHAHIBAUG, AHMEDABAD. GUJARAT-380004

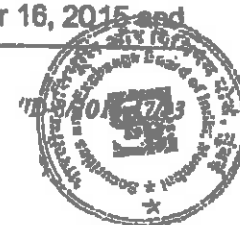
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Investigation in the matter of trading activities of certain entities in Illiquid Stock Options (02 case)

- I. An Interim order dated August 20, 2015 (hereinafter referred to as "Interim order") (placed at Annexure 1) was passed by SEBI in the matter of Illiquid Stock Options restraining 59 entities from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions. Confirmatory orders dated July 30, 2016, August 22, 2016 and August 24, 2016 (hereinafter referred to as "Confirmatory order") (placed at Annexure 2) in this regard, were passed by SEBI confirming the directions issued vide aforementioned Interim order against all 59 entities.
- II. After passing of Interim order, ISD forwarded the matter to IVD for necessary action.
- III. Subsequent to passing of aforementioned Interim order against 59 entities, SEBI also passed an Interim order dated February 17, 2016 (placed at Annexure 3) against 22 trading members in the same matter of Illiquid Stock Options. However, the said order was set aside by Hon'ble SAT vide its orders dated February 25, 2016, March 04, 2016, March 09, 2016, March 14, 2016, March 15, 2016, March 18, 2016 and April 05, 2016 (placed at Annexure 4). Thereafter, SEBI challenged the aforesaid Hon'ble SAT order in the Hon'ble Supreme Court and Hon'ble Supreme Court vide its order dated July 01, 2016 (placed at Annexure 5) directed SEBI to pass another order after hearing the concerned entities and also directed that till SEBI decides the case pending before it, the order passed by SAT shall remain operative.
- IV. Thereafter, SEBI passed another order dated August 12, 2016 (placed at Annexure 6) in the matter of trading members in Illiquid Stock Options wherein it was mentioned that reversal transactions have diminished on BSE Stock Options segment pursuant to regulatory interventions and BSE had taken various corrective measures including discontinuation of weekly stock options contracts and introduction of Reversal Trade Prevention Check system for the equity derivatives segment. In the said order, no interim directions were issued against the 22 trading members and it was mentioned that a final view for appropriate action should be taken after completion of ongoing investigation in the matter. This matter is being dealt separately in "Investigation in the matter of certain Trading Members in Illiquid Stock Options". The present report deals with the trading activities of certain entities in Illiquid Stock Options.
- V. Pursuant to investigation by IVD, the following is noted:
 - i) The volume in the BSE's Stock Options segment increased significantly during the year 2011-12 when BSE introduced "Liquidity Enhancement Incentive Programmes" (hereinafter referred to as "LEIPS") in its derivatives segment. (Page 13-14)
 - ii) During investigation, it is observed that majority of the volume that was generated in BSE's Stock Options segment during the I.P. was artificial volume that was generated by large scale execution of reversal trades / non-genuine trades (54.68% of total market volume) by large number of entities (14720 entities). However, this generation of artificial volume was not restricted to any specific contract or between any specific set of entities. This executing of reversal trades was a market wide phenomenon that existed in BSE's Stock Options segment during the I.P. (Page 7-13)
 - iii) The aforementioned execution of reversal trades on a large scale was noticed by SEBI's surveillance system and an Interim order dated August 20, 2015 was passed against 59 top entities that had contributed to artificial volume by executing reversal trades. (Page 2-4)
 - iv) After passing of Interim order & Confirmatory order by SEBI, BSE discontinued the LEIPS scheme from the Stock Options segment with effect from October 16, 2015 and



introduced the system of Reversal Trade Prevention check in BSE's Stock Options segment with effect from March 14, 2016. During the same time, trading in BSE's Stock Options segment declined and reduced to nil during 2016-17. (Page 14-16) ✓

- v) BSE failed to identify the reversal trades that were executed in its Stock Options segment during the I.P. and the market integrity in BSE's Stock Options segment was breached. It is noted that BSE took the corrective measures only after SEBI observed the irregular trading pattern and passed interim orders restraining several entities and trading members from accessing the securities markets. (Page 13-16). ✓

VI. Based on the findings of investigation, recommended actions are as follows:

- i) The generation of artificial volume in BSE's Stock Options segment during the I.P. by execution of reversal trades was a market wide phenomenon and not restricted to any specific contract / entity. Further, the corrective actions to address the same have also been taken by the exchange. Hence, directions issued u/s 11(1), 11(4) and 11B of SEBI Act, 1992 against 59 entities vide interim order dated August 20, 2015 and Confirmatory orders dated July 30, 2016, August 22, 2016 and August 24, 2016 may be revoked.
- ii) The matter may be referred to SEBI's Market Regulation Department (MRD) to examine the failure of BSE in ensuring market integrity in its Stock Options segment and to identify any possible policy changes to prevent such similar kind of trading pattern (contribution to volumes through reversal trades / non-genuine trades) to occur on the exchange platform.

The details of the investigation are given below:

1. **Background of the case:** As a part of ongoing surveillance, SEBI came across several instances / internal alerts wherein a set of entities were consistently making loss by their trading in options on individual stocks which are listed on the BSE. Trading of these entities appeared abnormal because they were consistently seen making significant loss by their trades which were reversed with the same counterparties either on the same day or the next day. On analysis of the stock options segment of BSE for the period April 1, 2014 to March 31, 2015, it was observed that there were several entities who consistently made significant loss and others who consistently made significant profit by executing reversal trades in stock options on the BSE. The entities that made a loss or profit of more than Rs. 5 crore in the stock option segment on account of reversal transactions were shortlisted for further examination. The following was, inter alia, observed by ISD in the examination:
 - i) The loss-making entities were trading mainly in options on individual stocks which were thinly traded. The trades by these loss-making entities, in many cases, contributed to 70% to 100% of total traded volume for the contracts on those days.
 - ii) On majority of occasions, the quantity of stock options bought and sold by the loss-making entities for a contract was identical, however, there was a significant difference in the sell value and buy value of the transactions resulting into significant loss to the loss-making entities.
 - iii) Substantial number of transactions was squared up and a major percentage of transactions thereof were trade reversals i.e. if the stock options were sold first to an entity, they would be bought back in exact quantity from the same entity or vice-versa.
 - iv) As the first leg of these reversal trades, these loss-making entities were mainly seen selling stock options without any corresponding offsetting position in the underlying scrip. In many cases, these options were sold at unreasonably low prices.



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- v) In the second leg of the reversal trades, the options once sold by an entity at unreasonably low prices were subsequently bought back on the same day or on the next trading day at substantially higher prices when compared to the first leg sell price.
 - vi) In certain instances, variations to the above pattern were seen which inter-alia included loss-making entities incurring loss by buying the options first instead of selling them.
 - vii) Further, during the period when stock options position was kept open, there was no significant change in the price of the underlying scrip to justify the difference between the prices of the two legs of the reversal trade.
 - viii) The trading done by loss-making entities in stock options in the above manner, accounted for significant proportion of their overall trading on that segment.
 - ix) The loss-making entities as well as the profit-making entities were seen trading repeatedly in deep in-the-money options and deep out-of-the-money options on individual stocks, which were thinly traded.
 - x) Majority of the profit-making entities had opened specific accounts for exclusively carrying out suspicious transactions in stock options.

Subsequent to passing of aforementioned Interim order against 59 entities, SEBI also passed an interim order dated February 17, 2016 against 22 trading members in the same matter of Illiquid Stock Options. However, the said order was set aside by Hon'ble SAT vide its orders dated February 25, 2016, March 04, 2016, March 09, 2016, March 14, 2016, March 15, 2016, March 18, 2016 and April 05, 2016. Hon'ble SAT made the following key observations in its aforementioned orders while setting aside SEBI Interim order dated February 17, 2016:

- i) As per Table-2 set out in the impugned order, in all 12584 clients had traded through 22 stock brokers during the period from 01.04.2014 till 30.09.2015 and out of 12584 clients, 11228 clients of the 22 stockbrokers did reversal trades in the stock options segment whereby abnormal trading profit has been caused to one set of clients and abnormal loss has been caused to another set of clients. If 11228 clients of 22 stock brokers have indulged in abnormal trades which are detrimental to the interests of the securities market then the WTM of SEBI ought to have passed restraint order against those clients first and then proceed against the stock brokers to find out as to whether they were parties to the objectional trades carried out by the clients.
- ii) If SEBI finds it difficult to take action against 11228 clients who are alleged to have indulged in non-genuine trades without carrying out further investigation, then, by applying the same yard stick, SEBI could not have passed ex-parte order against the stock brokers when the investigation is still in progress.
- iii) If the prima facie view is that the trades of the 11228 clients were not genuine, then to take action against 22 stock brokers but not against the 11228 clients amounts to applying double standard i.e. one standard for the stock brokers and another standard for clients, which is not proper.

SEBI challenged the aforesaid Hon'ble SAT order in the Hon'ble Supreme Court and Hon'ble Supreme Court vide its order dated July 01, 2016 directed SEBI to pass another order after hearing the concerned entities and also directed that till SEBI decides the case pending before it, the order passed by SAT shall remain operative. Thereafter, SEBI passed another order dated August 12, 2016 in the matter of trading members in illiquid Stock Options wherein it was mentioned that reversal transactions



have diminished on BSE Stock Options segment pursuant to regulatory interventions and BSE had taken various corrective measures including discontinuation of weekly stock options contracts and introduction of Reversal Trade Prevention Check system for the equity derivatives segment. In the said order, no interim directions were issued against the 22 trading members and it was mentioned that a final view for appropriate action should be taken after completion of ongoing investigation in the matter. This matter is being dealt separately in "Investigation in the matter of certain Trading Members in Illiquid Stock Options". The present report deals with the trading activities of certain entities in Illiquid Stock Options.

2. **Focus and Period of the Investigation:** The focus of the investigation was to ascertain the whether any of the suspected entities have violated the provisions of SEBI (PFUTP) Regulations, 2003 during the period April 01, 2014 to March 31, 2015. However, SEBI in its Interim order dated August 20, 2015 in the matter of Illiquid Stock Options recorded the following: *"The investigation shall also cover the examination of any other entity executing similar fictitious trades in the stock options segment."* Further, SEBI in its Confirmatory order dated August 22, 2016 in the matter of Illiquid Stock Options recorded the following: *"The fact that certain entities have been left out of the interim order does not signify that they are outside the scope of SEBI's investigation or have been exonerated."* In view of above, the focus of the investigation is taken as "to ascertain whether any of the entities have violated the provisions of SEBI (PFUTP) Regulations, 2003".

The period of examination as taken in Interim order was April 01, 2014 to March 31, 2015. Further, SEBI in its Interim order dated February 17, 2016 in respect of Trading Members in the matter of Illiquid Stock Options had extended the examination period. The examination period as taken in the aforesaid order dated February 17, 2016 was April 01, 2014 to September 30, 2015. Since the matter of Illiquid Stock Options and Trading Members in Illiquid Stock Options are related, the period of investigation for this report is taken as April 01, 2014 to September 30, 2015 (hereinafter referred to as "Investigation Period" or "I.P.")

Further, wherever necessary, reference has been made to period outside the investigation period.

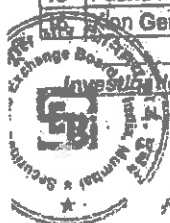
3. **Identification of Entities:** In the Interim order, the following 59 entities were identified:
Table 1 - List of entities against whom actions were taken in the Interim Order

Loss making Entities			Profit making Entities		
S No.	Entity Name	Entity PAN	S No.	Entity Name	Entity PAN
1	Adarsh Credit Co Op Society Limited	AAAJA0288J	35	N M Impex Pvt. Ltd.	AABCN0541M
2	Riddeldhi Bullions Limited	AAACR6727L	36	Vision Sponge Iron Pvt. Ltd.	AABCV4791R
3	Bharat Jayantilal Patel	AAAPP6852R	37	Umang Nemani	ABOPN7213K
4	Quest Partners	AAAFQ3174B	38	Vsp Udyog Pvt. Ltd.	AABCV6318G
5	Gajanan Enterprises	AAKFG7585A	39	Shir Commodities & Futures (P) Ltd.	AAACU7902J
6	Kundan Rice Mills Limited	AAACK7098P	40	Jai Annanya Investments Pvt. Ltd.	AABCG0789Q
7	J B Overseas	AAIFJ6651J	41	Sureshine Vintrade Pvt Ltd	AAUCS1804K
8	Raghav Commodities	AARFR1409D	42	Motisons Commodities Pvt. Ltd.	AADCM7184M
9	Woodland Retail Private Limited	AABCW1644A	43	Evergrowing Iron & Finvest Pvt. Ltd.	AAACE1287C
10	Jaideep Halwasiya	AAWPH1706L	44	Rajbanshi Trading	AQEPR0750Q
11	Kundan Care Products Limited	AACCK4743R	45	Tradebulls Enterprise Pvt. Ltd.	AAECT2124M
12	Anand Mining Corporation	AAGFA0187Q	46	Avijit Saha	DCIPS3813Q
13	Mahakaleshwar Mines & Metals Pvt Ltd	AAHCM1278E	47	Ketan Ramanlal Shah Huf	AACHK8724K
14	Anantnath Vincom Private Limited	AAKCA2148A	48	Steel Crackers Pvt. Ltd.	AADCS6863F
15	Pasha Finance Pvt Ltd	AAACP8316P	49	Prime Gold International Ltd.	AACCK3755F
	Adon Gems & Jewellers Private Limited	AAFCA5687D	50	Raj Ratan Smelters Pvt Ltd	AADCR8689N

Investigation in the matter of trading activities of certain entities in Illiquid Stock Options

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Loss making Entities			Profit making Entities		
S No.	Entity Name	Entity PAN	S No.	Entity Name	Entity PAN
17	Steel Consec Trading Lip	ACBFS6896B	51	Sourabh H Bora	ADIPB7693R
18	Ashok Kumar Damani	ACXPD6089R	52	Eden Trading Services Pvt. Ltd.	AADEC1272A
19	Vinay Ramant Shah Huf	AABHV8007P	53	Mammon Concast Pvt. Ltd.	AAGCM5635G
20	Swaran Financial Private Limited	AAECS4024R	54	Bhawani Famous Pvt Ltd	AACCB3368A
21	Vitrag Rajendrakumar Sheth	BSUP87339K	55	Vap Steel Pvt Ltd	AACCT2881K
22	Savitri Sons	AANFS6992C	56	Panam Steel Pvt. Ltd.	AAACP8592R
23	Gyandeep Khemka	AGBPK0640F	57	Deepak Natvarlal Pankhyan Huf	AAJHP3250L
24	Gandiv Investment Private Limited	AACCG3017C	58	Kirti Ramji Kolhari	AAEPK3218C
25	Rashi Commercial Company	AAAFR1026K	59	Umash Malani	BDHPM5310A
26	Nikhil Jalan	AADCP2042F			
27	Rakesh K Bald	AACCG3141P			
28	Open Futures And Derivatives Pvt Ltd	AABCO1139Q			
29	Pragya Commodities Private Limited	AABCP5764C			
30	Nouvelle Advisory Services Pvt Ltd	AADCN1774A			
31	Gck Stock Private Limited	AAACA5560C			
32	Om Sales Corporation	AARPY4343F			
33	Prompt Commodities Ltd	AADCP1910G			
34	Gurmeet Singh	AAQPS8561E			

In the above table, entities appearing at S. No. 1 to 34 were categorised as "Loss making entities" i.e. those entities that had made a loss of Rs. 5 crore or more by executing reversal transactions in BSE's stock options segment during the period April 01, 2014 to March 31, 2015. Further, entities appearing at S. No. 35 to 59 were categorised as "Profit making entities" i.e. those entities that had made a profit of Rs. 5 crore or more by executing reversal transactions in BSE's stock options segment during the period April 01, 2014 to March 31, 2015.

However, as mentioned at Para 2, in light of the directions in the Interim order, this investigation covers the entire trading happened in BSE's Stock Options segment during the I.P. This includes the trade analysis of all entities that have traded in BSE's Stock Options segment during the I.P. (including the aforementioned 59 entities).

4. Trading in BSE's Stock Options segment during the Investigation Period - Trade data of BSE's Stock Options segment during the I.P. was obtained from BSE (placed at Annexure 7) and the following is observed:

Table 2 - Trade data of BSE's Stock Options segment during the I.P.

Total No. of unique contracts traded during the I.P.	23,885
Total No. of trades during the I.P.	3,58,372
Total No. of entities traded during the I.P.	21,652
Total traded volume during the I.P. (In no.)	1510,95,98,571
Total traded value during the I.P. (In Rs.) (based on premium turnover*)	Rs. 7204,84,79,847
Total traded value during the I.P. (In Rs.) (based on nominal turnover*)	Rs. 231438,60,66,469

* Premium Turnover = sum total of (Premium value * quantity of each trade) for all contracts during the I.P.

* Nominal Turnover = sum total of [(Strike Price + Premium value) * quantity of each trade] for all contracts during the I.P.

From the above table, it is observed that during the I.P., 21,652 entities traded in BSE's Stock Options segment in 23,885 different contracts with number of trades being 3,58,372 and total turnover of Rs. 7,204 crores.

5. Identification of Reversal Trade / Non Genuine trades and Reversal Trade Quantity / Artificial volume - Reversal trades have been classified as those trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. For the sake of clarity, a contract is shortlisted (i.e. "HDIL14NOV100.00CEW2") and all trades that were executed in this contract during the I.P. is shown below:





Table 3 - Details of trades executed in the contract "HDIL14NOV100.00CEW2" during the I.P.

S. No.	Date	Buyer	Seller	Sell Order Time	Buy Order Time	Trade Time	Trade Rate (In Rs.)	Trade Quantity	Trade Value (In Rs.)
1	12/11/2014	Randut Infraprojects Pvt Ltd	First Financial Services Ltd	15:21:01.94	15:24:26.73	15:24:26.73	1.1	120000	132000
2	13/11/2014	Adihemshree Financial	Shalini Jain	10:54:35.77	10:54:41.95	10:54:41.95	1.25	400000	500000
3	13/11/2014	Adihemshree Financial	Shalini Jain	10:54:28.95	10:54:41.95	10:54:41.95	0.1	4000	400
4	13/11/2014	Samarth Financial Services	Kanan Khanik Shah	12:11:12.43	12:11:41.70	12:11:41.70	1.15	48000	55200
5	13/11/2014	Samarth Financial Services	Kanan Khanik Shah	12:10:49.83	12:11:41.70	12:11:41.70	1.2	48000	57600
6	13/11/2014	Kanan Khanik Shah	Samarth Financial Services	12:13:27.36	12:13:30.76	12:13:30.76	0.05	48000	2400
7	13/11/2014	Kanan Khanik Shah	Samarth Financial Services	12:13:27.36	12:13:38.37	12:13:38.37	0.05	44000	2200
TOTAL								7,12,000	7,49,800

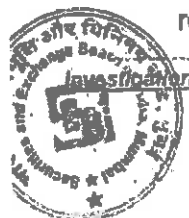
Below mentioned are some of the observations made from the above table:

- In total 7 trades were executed in the contract "HDIL14NOV100.00CEW2" during the I.P. Out of 7 trades, Samarth Financial Services placed a buy order of 96,000 units of Put Option of contract "HDIL14NOV100.00CEW2" on 13/11/2014 at 12:11:41 pm. This buy order got matched with pending 2 sell orders of Kanan Khanik Shah in the same contract for a total of 96,000 units. This resulted in 2 trades with total trade quantity of 96,000 units and trade value of Rs. 1,12,800.
- Thereafter, on the same day, about 2 minutes later, Samarth Financial Services placed a sell order of 92,000 units of contract "HDIL14NOV100.00CEW2" which got matched with corresponding 2 pending buy orders of Kanan Khanik Shah in the same contract for a total of same units. This resulted in 2 trades with total trade quantity of 92,000 units and trade value of Rs. 4,600.
- The remaining 3 trades in this contract during the I.P. were executed between different set of entities and were not reversed by them.
- From the above, it can be seen that total number of non genuine trades that were executed in the contract "HDIL14NOV100.00CEW2" were 4 (trades shown at S. No. 4 to 7 at Table 3) and total artificial volume generated through such non genuine trades was 1,84,000 units (48000+ 48000+ 44000+ 44000).
- The entity wise contribution to number of non genuine trades and artificial volume in the above contract is shown below:

Table 4 - Entity wise contribution to non genuine trades and artificial volume in the contract "HDIL14NOV100.00CEW2" during the I.P.

S. No.	Entity Name	Artificial volume through non genuine trades	Number of Non genuine trades	% of artificial volume generated through non genuine trades to total market volume	% of number of non genuine trades to total market trades
1	Samarth Financial Services	1,84,000	4	25.84%	57.14%
2	Kanan Khanik Shah	1,84,000	4	25.84%	57.14%
Total Non genuine trades		1,84,000	4	25.84%	57.14%

From Table 3, it is observed that trades at S. No. 4 to 7 are considered as non genuine trades. Further, out of 4 non genuine trades, Samarth Financial Services was involved in all such 4 trades (by appearing as buyer in 2 trades and as seller in 2 trades). Hence, it is concluded that Samarth Financial Services was involved in 4 non genuine trades and generated artificial volume of 1,84,000 through reversal trades. Similarly, Kanan Khanik Shah was also involved in 4 non genuine





trades and generated artificial volume of 1,84,000 through reversal trades. Hence, the aforementioned two entities have violated Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) of SEBI Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

6. **Analysis of Reversal trades / Non genuine Trades during the I.P.** - The modus operandi that was identified in the Interim order and Confirmatory order was that certain entities had continuously made profits and certain entities had continuously made losses by reversing their trades or executing reversal trades in various Individual Stock Options contracts on BSE's Stock Options segment. In the Interim order, these reversal trades were also referred to as "non-genuine trades". In view of the directions in the Interim order and Confirmatory order, investigation of trades has been done for all entities that had traded in BSE's Stock Options segment during the I.P. Total number of contracts during the I.P. was 23885 contracts. The details of trading in such 23885 contracts are shown in table below:

Table 5 - Details of trading in all contracts of BSE's Stock Options segment during the I.P.

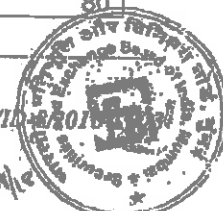
Particulars	TOTAL
Number of contracts	23,885
Total Number of entities	21,652
Turnover (In Rs.)	Rs. 7,204.65 crores
Traded Quantity	1,510.96 crores
Number of trades	3,58,372
Number of Non genuine trades	2,91,643
Artificial volume generated through Non genuine trades	826.21 crore
% of Non genuine trades to total number of market trades	81.38%
% of artificial volume generated through Non genuine trades to market volume	54.68%
Number of entities involved in executing non genuine trades	14720

From the above table, the following is observed:

- Out of total trades that were executed in BSE's Stock Options segment during the I.P., 81.38% trades were Non genuine trades.
 - Total artificial volume generated through such Non genuine trades was 54.68% of total traded volume in BSE's Stock Options segment during the I.P.
 - Out of 21,652 entities that had traded in BSE's Stock Options segment during the I.P., 14,720 entities were involved in executing such Non genuine trades.
7. **Contract wise analysis of trade data during the I.P.** - Total number of unique contracts that were traded during the I.P. in were 23885 contracts. It may be noted that trading in one contract may or may not impact trading in another contract since contracts are unique in terms of underlying stock, strike price, expiry date etc. Further, out of 23,885 contracts, there would be certain contracts in which the number of trades would be minimal (as the total trades across all contracts during I.P. were 3,58,372). Hence, analysing trading in each contract separately would not be feasible. Therefore, the contracts are first classified based on the number of trades executed in each contract and then the analysis of separate categories of contracts is done. The contracts are categorised based on the number of trades in each contract as shown below:

Table 6 - Categories of contracts based on number of trades in each contract

S. No.	Classification of contracts by number of trades	Number of contracts	Turnover (In Rs.)	Traded Quantity	Number of trades	Number of entities traded
1	> 5000 trades	8	22,66,20,050	1,30,11,500	52,859	28
2	1001-5000 trades	56	57,88,88,069	3,19,05,375	1,04,633	80



S. No.	Classification of contracts by number of trades	Number of contracts	Turnover (In Rs.)	Traded Quantity	Number of trades	Number of entities traded
3	101-1000 trades	82	64,10,16,313	11,21,96,750	41,228	554
4	51-100 trades	138	456,94,80,094	67,28,33,375	8,854	2,085
5	41-50 trades	113	211,87,26,388	36,69,28,000	5,082	1,742
6	31-40 trades	270	421,22,93,238	91,76,16,299	9,433	3,300
7	21-30 trades	728	786,84,32,419	163,35,55,459	17,961	5,560
8	11-20 trades	2891	1709,37,05,928	405,62,66,874	41,828	10,268
9	1-10 trades	19601	3493,73,37,353	730,52,84,939	76,616	13,870
	Total Market	23885	7204,64,79,847	1510,95,98,571	3,58,372	21,652

From the above table, it is observed that maximum trading in terms of turnover had happened in contracts in which the number of trades are less than 10 trades in each contract. It is evident from the fact that out of total trading turnover of Rs. 7204 crore (approx.) in BSE's Stock Options segment during the I.P., Rs. 3493 crore (48.49% of total market) was contributed by contracts in which the number of trades was between 1-10 trades each. The total number of such contracts was 19601 contracts out of total 23885 contracts in which trading happened during the I.P.

The aforementioned classification of contracts was further classified into 2 broad categories:

- Group A Contracts** - Includes all such contracts in which number of trades was more than 100 trades during the I.P. (i.e. contracts shown at S. No. 1 to 3 in above table). Since the number of trades in each of these contracts is more and consequently the number of entities trading in each of such contracts was also more. Hence, trades happened in these contracts were analysed in detail to identify any manipulative pattern.
- Group B Contracts** - Includes all such contracts in which number of trades was equal to or less than 100 trades during the I.P. (i.e. contracts shown at S. No. 4 to 9 in above table). In Group B Contracts, the number of trades happened was very less and consequently the entities trading in each of such contract was also less. In such a scenario, there is high possibility that the buy / sell orders placed by one entity get matched with the same entity or with a few entities only who had traded in such contracts. Hence, the percentage of artificial volume through reversal / non-genuine trades to total trading volume would be very high. However, this may not be called as manipulation as the number of entities trading in each of such contracts would be very few and the reversal trades are bound to happen in such scenario. Further, in Group B contracts, the chances of repetition of any manipulative pattern (in terms of reversal / circular trades) by any particular entity in a particular contract are also limited as the total number of trades happened in each contract is less (less than 100 trades).

7.1. Analysis of trades in Group A Contracts - As mentioned above, Group A contracts refers to all such contracts in which number of trades was more than 100 trades during the I.P. The number of such contracts during the I.P. was 146 contracts. The details of trading in such 146 contracts is shown in table below:

Table 7 - Details of trading in Group A contracts during the I.P.

Classification of contracts	>5000 trades	1001-5000 trades	101-1000 trades	TOTAL (>100 trades)
Particulars				
Number of contracts	8	50	82	146
Total Number of entities	28	80	554	614
Turnover (In Rs.)	Rs. 22.7 crores	Rs. 57.9 crores	Rs. 64.1 crores	Rs. 144.65 crores





Classification of contracts	>5000 trades	1001-5000 trades	101-1000 trades	TOTAL (>100 trades)
Particulars				
Traded Quantity	1,30,11,500	3,19,05,375	11,21,98,750	15,71,13,625
Number of trades	52,859	1,04,533	41,226	1,98,618
Number of Non genuine trades	52,841	1,04,484	39,864	1,97,189
Artificial volume through Non genuine trades	1,30,07,750	3,18,94,500	4,50,73,750	8,99,76,000
% of Non genuine trades to total number of market trades	99.97%	99.95%	96.70%	99.28%
% of Artificial volume generated through Non genuine trades to total market volume	99.97%	99.97%	40.17%	57.27%
Number of entities involved in Non genuine trades	28	79	220	279

From the above table, the following is observed:

- Almost all trades that had happened in category of contracts with more than 1000 trades each were non genuine trades. Further, the artificial volume generated through such non genuine trades was also 99.97% of total trading volume in such contracts.
- In category of contracts with trades between 101-1000, the number of non genuine trades executed was 96.70%, however, the artificial volume generated through such trades was 40.17% total market trading volume in such contracts.
- On an overall basis, the number of non genuine trades during the I.P. in contracts with more than 100 trades each (Group A contracts) was 99.28% of total number of trades in such contracts which signifies that these contracts were used by the entities for only reversing their transactions.
- The total number of entities that were trading in Group A contracts was 614 entities and out of these 279 entities were indulged in executing non genuine trades.

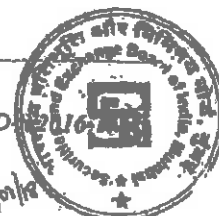
7.2. Analysis of trades in Group B Contracts - As mentioned at Para 7, Group B contracts refers to all such contracts in which number of trades was equal to or less than 100 trades during the I.P. The number of such contracts during the I.P. was 23739 contracts. The details of trading in such 23739 contracts is shown in table below:

Table 8 - Details of trading in Group B contracts during the I.P.

Particulars	TOTAL (<=100 trades)
Number of contracts	23,739
Total Number of entities	21,526
Turnover (In Rs.)	Rs. 7,059.99 crores
Traded Quantity	1,495.25 crores
Number of trades	1,59,754
Number of Non genuine trades	94,454
Artificial volume generated through non genuine trades	817.21 crores
% of Non genuine trades to total number of market trades	59.12%
% of artificial volume generated through non genuine trades to total market volume	54.65%
Number of entities involved in non genuine trades	14,676

From the above table, the following is observed:

- Percentage of non genuine trades was 59.12% of total trades that were executed in Group B contracts during the I.P.
- Artificial volume generated through such non genuine trades was 54.65% of total traded volume in Group B contracts during the I.P.
- Out of 21,526 entities that had traded in Group B contracts during the I.P., 14,676 entities were involved in executing non genuine trades.



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7.3. Entities Involved in executing non genuine trades across all contracts – As mentioned at Table 5 of the report, it is observed that 14,720 entities were indulged in executing non genuine trades during the I.P. A summary of non genuine trades executed by top 10 entities during the I.P. is given in table below:

Table 9 – Summary of non genuine trades executed by top 10 entities in all contracts

S. No.	Entity PAN	Entity Name	Artificial Volume	Number of Non genuine trades	% of artificial volume generated through Non genuine trades to total market volume	% of non genuine trades to total market trades
1	AAJFJ6851J	J B Overseas	30,70,27,680	4,968	2.03%	1.39%
2	AABCN0541M	N M Impex Pvt Ltd	24,57,42,500	5,545	1.83%	1.55%
3	AADGM7184M	Motisons Commodities Pvt Ltd	22,46,06,000	339	1.48%	0.09%
4	ABOPN7213K	Umanig Nemanl	21,85,44,000	830	1.45%	0.23%
5	AABCV6318G	VSP Udyog Pvt Ltd	11,55,37,000	580	0.76%	0.16%
6	AAQPS9581E	Gurmeet Singh	9,01,31,204	526	0.60%	0.15%
7	AGBPK0640F	Gyandeeep, Khemka	8,71,80,000	100	0.58%	0.03%
8	AABCV4791R	Vision Sponage Iron Pvt Ltd	7,99,57,400	544	0.53%	0.16%
9	AAAJA0286J	Adarsh Credit Co Op Society Ltd	7,97,21,572	969	0.53%	0.27%
10	AAACE1287C	Evergrowing Iron & Finvest Pvt Ltd	7,80,58,500	253	0.52%	0.07%
Total of Top 10 entities			147,50,21,736	14,618	9.76%	4.08%
Grand Total - All Reversal / Non genuine Trades			826,20,50,626	2,91,843	54.68%	81.38%

From the above table, it is observed that top 10 entities were involved in executing non genuine trades that contributed 4.09% to total number of trades executed in BSE's Stock Options segment during the I.P. Further, the contribution of top 10 entities to artificial volume generated through non genuine trades was 9.76% to total market volume during the I.P. It was also observed that all the aforementioned 10 entities were part of those 59 entities against which directions were issued in the Interim order dated August 20, 2015.

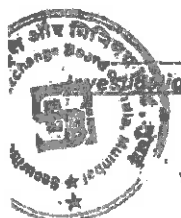
Apart from the individual contribution of entities to market volume through non genuine trades, the contribution of various unique pairs of entities was also analysed. Here, Unique Pair of entities refers to any 2 entities who had engaged in reversal of trades among themselves. Contribution of Top 10 such pairs of entities who have contributed maximum to artificial volume by reversing their transactions across all contracts in the market during the I.P. are shown table below:

Table 10 – Artificial volume generated by top 10 pair of entities during the Investigation Period

S. No.	Entity A	Entity B	Artificial volume	% of artificial volume generated through Non genuine trades to total market volume
1	Motisons Commodities Pvt. Ltd.*	Gyandeeep Khemka*	5,14,62,000	0.34%
2	Umanig Nemanl*	Shri Sarvesaral Balaaji Steels Ltd.	3,21,62,000	0.21%
3	Motisons Commodities Pvt. Ltd.*	Calendula Teledata Pvt. Ltd.	2,91,56,000	0.19%
4	Leenaben Sureshchandra Kachadia	Umanig Mahendra Shah	2,54,28,000	0.17%
5	Vindus Holdings Ltd.	Umanig Nemanl*	2,32,22,000	0.15%
6	Shree Ganesh Traders	Pragya Commodities Pvt. Ltd.*	2,12,58,000	0.14%
7	Sandeep Stocks Pvt. Ltd.	Pragya Commodities Pvt. Ltd.*	2,05,40,000	0.14%
8	Motisons Commodities Pvt. Ltd.*	Manoj Pincha	1,91,36,000	0.13%
9	GCK Stock Pvt. Ltd.*	Shree Ganesh Traders	1,90,72,000	0.13%
10	Gopi Kishan Malani	Manoj Pincha	1,55,53,000	0.10%
Total of Top 10 pair of entities			25,89,89,000	1.70%
Grand Total - All Reversal / Non Genuine Trades			826,20,50,626	54.68%

* Represents those entities against which directions were issued in Interim order dated August 20, 2015

From the above table, it is observed that top 10 unique pair of entities have together contributed 1.70% to market volume and none of the single unique pair of entities have contributed more than 0.34% to total market volume. On



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analysing complete trade data of all contracts during the I.P., it is observed that there were 22660 different pairs of entities who have contributed 54.68% to total market volume through non genuine trades.

7.4. Conclusion on trade analysis - The following are the key observations made at Para 7.1, 7.2 and 7.3:

- i) The percentage of non genuine trades executed to total number of trades was higher in Group A contracts (99.30% of total trades) than in Group B contracts (59.32% of total trades).
- ii) The artificial volume generated through non genuine trades was almost same for both categories of contracts (Group A contracts - 57.27% and Group B contracts - 54.65%).
- iii) Trades of all entities across all contracts are analysed and it is observed that the top most unique pair of 2 entities that have contributed to artificial volume had contributed 0.34% to total market volume and top 10 pair of entities contributed 1.70% to market volume by executing reversal trades. Hence, no concentration is seen between any specific set of entities who had contributed to artificial volume through reversal trades. However, a large number of entities (total 14720 entities) were engaged in generation of artificial volume by executing reversal trades.

In view thereof, it is concluded that majority of the volume that was generated in BSE's Stock Options segment during the I.P. was artificial volume. A total of 14720 entities were involved in executing non genuine trades thereby violating Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) of SEBI Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. However, this artificial volume was not restricted between any specific set of entities. This execution of reversal trades was a market wide phenomenon that existed in BSE's Stock Options segment. Further, SEBI passed directions against top 59 entities vide Interim order dated August 20, 2015. The same is discussed at Para 8 of the report. It is also observed that after passing of aforementioned Interim order by SEBI, various measures have been taken by the exchange to resolve this problem of reversal trades. The same is discussed at Para 10 of the report.

In view of above and in particular that being a market wide phenomenon, no action is recommended in the matter. Hence, directions issued u/s 11(1), 11(4) and 11B of SEBI Act, 1992 against 59 entities vide Interim order dated August 20, 2015 and Confirmatory orders dated July 30, 2016, August 22, 2016 and August 24, 2016 may be revoked.

8. Analysis of trade data of 59 entities against whom directions were issued in Interim order and Confirmatory order -

In the Interim order and Confirmatory order, directions were issued against 59 entities. A summary of reversal trades executed by these 59 entities in all Stock Options contracts during the I.P. is given in table below:

Table 11 - Summary of Non genuine trades executed by 59 entities against which directions were issued in Interim and Confirmatory order

S. No.	Entity Name	Artificial volume	Number of Non genuine trades	% of artificial volume generated through Non genuine trades to total market volume	% of non genuine trades to total market trades
1	J.B.Overseas	30,70,27,560	4968	2.03%	1.39%
2	N M Impex Pvt. Ltd.	24,57,42,500	5545	1.63%	1.55%
3	Motilsons Commodities Pvt. Ltd.	22,48,06,000	339	1.49%	0.09%
4	Umang Nemanl	21,85,44,000	830	1.45%	0.23%
5	Vsp Udyog Pvt. Ltd.	11,55,37,000	580	0.78%	0.16%



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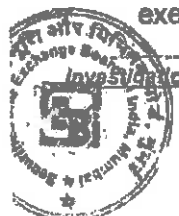


SECURITIES AND EXCHANGE BOARD OF INDIA

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S. No.	Entity Name	Artificial volume	Number of Non genuine trades	% of artificial volume generated through Non genuine trades to total market volume	% of non genuine trades to total market trades
6	Gurmeet Singh	9,01,31,204	528	0.60%	0.15%
7	Gyandeep Khemka	8,71,80,000	100	0.58%	0.03%
8	Vision Sponge Iron Pvt. Ltd.	7,99,57,400	544	0.53%	0.15%
9	Adarsh Credit Co Op Society Limited	7,97,21,572	989	0.53%	0.27%
10	Evergrowing Iron & Finvest Pvt. Ltd.	7,80,56,500	253	0.52%	0.07%
11	Pragya Commodities Pvt. Ltd.	7,49,68,000	142	0.50%	0.04%
12	Jai Annanya Investments Pvt. Ltd.	7,29,92,828	493	0.48%	0.14%
13	Mahakaleshwar Mines & Metals Pvt Ltd	7,24,36,500	455	0.48%	0.13%
14	Kundan Care Products Limited	7,17,89,750	688	0.47%	0.18%
15	Xion Gems & Jewellers Pvt. Ltd	7,16,45,000	1648	0.47%	0.48%
16	Shir Commodities & Futures Pvt. Ltd.	6,23,32,000	79	0.41%	0.02%
17	Vitrag Rajendrakumar Sheth	5,43,70,000	1510	0.36%	0.42%
18	Rashi Commercial Company	5,24,23,608	329	0.35%	0.09%
19	Prime Gold International Limited	5,12,15,000	97	0.34%	0.03%
20	Open Futures And Derivatives Pvt. Ltd.	4,47,21,000	282	0.30%	0.08%
21	Gck Stock Pvt. Ltd.	4,09,84,000	88	0.27%	0.02%
22	Mammon Concast Pvt. Ltd.	3,93,27,000	230	0.26%	0.08%
23	Swaran Financial Pvt. Ltd.	3,37,82,000	332	0.22%	0.09%
24	Anand Mining Corporation	3,28,41,000	298	0.22%	0.08%
25	Jaldeep Halwasia	3,28,17,500	291	0.22%	0.08%
26	Raghav Commodities	2,91,34,000	528	0.19%	0.15%
27	Rajib Rajbangshi	2,81,17,500	288	0.18%	0.08%
28	Woodland Retail Pvt. Ltd.	2,79,81,000	90	0.18%	0.03%
29	Riddikdhi Bullions Limited	2,76,68,000	750	0.18%	0.21%
30	Quest Partners	2,75,50,000	492	0.18%	0.14%
31	Kundan Rice Mills Ltd	2,55,25,750	612	0.17%	0.17%
32	Sureshine Vintrade Pvt Ltd	2,21,43,000	409	0.15%	0.11%
33	Bharat Jayantilal Patel	2,00,25,000	398	0.13%	0.11%
34	Kirti Ramji Kothari	1,85,92,500	130	0.12%	0.04%
35	Nouvelle Advisory Services Pvt. Ltd.	1,84,27,500	308	0.12%	0.08%
36	Avjit Saha	1,70,43,000	258	0.11%	0.07%
37	Om Sales Corporation	1,69,67,500	36	0.11%	0.01%
38	Bhawani Ferrous Pvt Ltd	1,58,96,500	84	0.11%	0.02%
39	Prompt Commodities Ltd	1,54,19,000	284	0.10%	0.08%
40	Steel Crackers Pvt. Ltd.	1,52,05,000	114	0.10%	0.03%
41	Sourabh H Bora	1,33,45,000	228	0.09%	0.06%
42	Ketan Ramantil Shah Huf	1,28,83,500	137	0.08%	0.04%
43	Savitri Sons	1,28,50,000	417	0.08%	0.12%
44	Vinay Ramantil Shah Huf	1,25,98,000	118	0.08%	0.03%
45	Anantnath Vincom Pvt. Ltd.	1,22,92,500	83	0.08%	0.02%
46	Galanani Enterprises	1,21,77,000	512	0.08%	0.14%
47	Panem Steel Pvt. Ltd.	1,13,95,500	78	0.08%	0.02%
48	Pasha Finance Pvt Ltd	1,00,89,000	152	0.07%	0.04%
49	Rajratan Smelter Ltd	98,26,250	78	0.06%	0.02%
50	Gandiv Investment Pvt. Ltd.	87,45,000	192	0.06%	0.05%
51	Ashok Kumar Damani	81,29,000	194	0.05%	0.05%
52	Priyasha Meven Finance Ltd.	73,75,000	194	0.05%	0.05%
53	Deepak Natvarlal Pankhiyani Huf	71,27,000	95	0.05%	0.03%
54	Vsp Steel Pvt Ltd	55,72,250	26	0.04%	0.01%
55	Eden Trading Services Pvt. Ltd.	51,99,000	201	0.03%	0.08%
56	Tradebulls Enterprise Pvt. Ltd.	45,47,190	60	0.03%	0.02%
57	Skeet Comsec Trading Lp	18,94,000	18	0.01%	0.00%
58	Umesh Malani	0	0	0.00%	0.00%
59	Gee Bee Securities P Ltd	0	0	0.00%	0.00%
Total Of 59 Entities		140,77,19,880	26,994	17.08%	7.53%
Grand Total - All Non genuine Trades		828,20,50,826	2,91,843	64.88%	81.38%

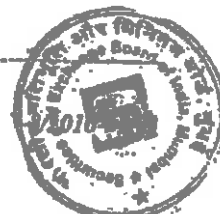
From the above table, it is observed that the percentage of artificial volume generated by aforementioned 59 entities ranged between 0% to 2.03%. However, it is also observed from Table 10 that the maximum artificial volume generated by executing non genuine trades by a unique pair of entities was 0.34% that was



13/5/18



generated by Motilsons Commodities Pvt Ltd (mentioned at S. No. 3 in above table) and Gyandeep khemka (mentioned at S. No. 7 in above table). Further, artificial volume generated by top 10 unique pair of entities taken together is 1.70% to market volume. Hence, it is concluded that the generation of artificial volume by executing reversal trades / non genuine trades was not restricted to any specific set of entities. However, It was a market wide phenomenon that existed in BSE's Stock Options segment.



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Investigation in the matter of trading activities of certain entities in Illiquid Stock Options

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IVD/ID-8/2016-17/73

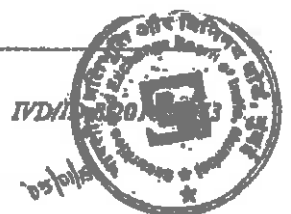
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10. Actions taken pursuant to preliminary examination done by SEBI (ISD) in the matter of Illiquid Stock Options:

ISD conducted preliminary examination in the matter of Illiquid Stock Options and observed that certain entities were consistently making loss and certain entities were continuously making profits by executing reversal trades in stock options on the BSE. ISD had identified a total of 59 such entities that were continuously making profits / losses by executing reversal trades.

Below mentioned are some of the major actions taken after completion of aforementioned ISD's examination:



osb/le

**11. Conclusion and Recommendations -**

11.1. Conclusion - In view of observations made in the investigation, the following is concluded:

- i) The volume in the BSE's Stock Options segment increased significantly during the year 2011-12 when BSE introduced "Liquidity Enhancement Incentive Programmes" (hereinafter referred to as "LEIPS") in its derivatives segment.
- ii) During investigation, it is observed that majority of the volume that was generated in BSE's Stock Options segment during the I.P. was artificial volume that was generated by large scale execution of reversal trades / non-genuine trades (54.68% of total market volume) by large number of entities (14720 entities). However, this generation of artificial volume was not restricted to any specific contract or between any specific set of entities. This executing of reversal trades was a market wide phenomenon that existed in BSE's Stock Options segment during the I.P.
- iii) The aforementioned execution of reversal trades on a large scale was noticed by SEBI's surveillance system and an Interim order dated August 20, 2015 was passed against 59 top entities that had contributed to artificial volume by executing reversal trades.
- iv) After passing of Interim order & Confirmatory order by SEBI, BSE discontinued the LEIPS scheme from the Stock Options segment with effect from October 16, 2015 and introduced the system of Reversal Trade Prevention check in BSE's Stock Options segment with effect from March 14, 2016. During the same time, trading in BSE's Stock Options segment declined and reduced to nil during 2016-17.

11.2. Recommendations -

- i) The generation of artificial volume in BSE's Stock Options segment during the I.P. by execution of reversal trades was a market wide phenomenon and not restricted to any specific contract / entity. Further, the corrective actions to address the same have also been taken by the exchange. Hence, directions issued u/s 11(1), 11(4) and 11B of SEBI Act, 1992 against 59 entities vide Interim order dated August 20,





2015 and Confirmatory orders dated July 30, 2016, August 22, 2016 and August 24, 2016 may be revoked.

- ii) The matter may be referred to SEBI's Market Regulation Department (MRD) to examine the failure of BSE in ensuring market integrity in its Stock Options segment and to identify any possible policy changes to prevent such similar kind of trading pattern (contribution to volumes through reversal trades / non-genuine trades) to occur on the exchange platform.

12. Action Chart

Table 13

S. No.	Entity PAN	Entity Name	Nature of Findings in Brief	Violation of SEBI Act/Rules/Regulations	Nature of Evidence	Action Proposed
1	AAAJA0296J	Adarsh Credit Co Op Society Limited	Entities at S. No. 1 - 59 The generation of artificial volume in BSE's Stock Options segment during the I.P. by execution of reversal trades was a market wide phenomenon involving 14720 entities and not restricted to any specific contract / entity. The corrective actions to address the same have been taken by BSE pursuant to passing of Interim order dated August 20, 2015.		Trade Log data, BSE Reply	Entities at S. No. 1 - 59 : Directions issued u/s 11(1), 11(4) and 11B of SEBI Act, 1992 against 59 entities vide interim order dated August 20, 2015 and Confirmatory orders dated July 30, 2016, August 22, 2016 and August 24, 2016 may be revoked.
2	AAACR8727L	Riddisiddhi Bullions Limited				
3	AAAPP8652R	Bharat Jayantilal Patel				
4	AAAFQ3174B	Quest Partners				
5	AAKFG7685A	Gejanan Enterprises				
6	AAACK7098P	Kundan Rice Mills Limited				
7	AAIFJ6651J	J B Overseas				
8	AARFR1409D	Raghav Commodities				
9	AABCW1644A	Woodland Retail Private Limited				
10	AAWPH1708L	Jaldeep Halwasiya				
11	AACCK4743R	Kundan Care Products Limited				
12	AAGFA0187Q	Anand Mining Corporation				
13	AAHCM1276E	Mahakaleshwar Mines & Metals Pvt. Ltd.				
14	AAKCA2146A	Anantnath Vincom Private Limited				
15	AAACP8316P	Pasha Finance Pvt Ltd				
16	AAACA5687D	Xion Gems & Jewellers Pvt. Ltd.				
17	ACBFS5886B	Skeet Comsec Trading Llp				
18	ACXPD6089R	Ashok Kumar Damani				
19	AABHV9007P	Vinay Ramanlal Shah Huf				
20	AAECS4024R	Swaran Financial Private Limited				
21	BSUPS7339K	Vitrag Rajendrakumar Sheth				
22	AANFS6992C	Savitri Sons				
23	AGBPK0640F	Gyandeep Khemka				
24	AACCG3017C	Gandiv Investment Private Limited				
25	AAAFR1028K	Rashi Commercial Company				
26	AADCP2042F	Nikhil Jalan				
27	AACCG3141P	Rakesh K Bald				
28	AABCO1139Q	Open Futures And Derivatives Pvt. Ltd				
29	AABCP5764C	Pragya Commodities Private Limited				
30	AADCN1774A	Nouvelle Advisory Services Pvt. Ltd.				
31	AAACA6680C	Gok Stock Private Limited				
32	AARPY4343F	Om Sales Corporation				
33	AADCP1910G	Prompt Commodities Ltd				
34	AAQPS8561E	Gurmeet Singh				
35	AABCN0541M	N M Impex Pvt. Ltd.				
36	AABCV4791R	Vision Sponge Iron Pvt. Ltd.				
37	ABOPN7213K	Umang Nemani				
38	AABCV6318G	Vep Udyog Pvt. Ltd.				
39	AAACU7902J	Shir Commodities & Futures (P) Ltd.				
40	AABCG0769Q	Jai Ananya Investments Pvt. Ltd.				
41	AAUCS1804K	Sureshine Vitrade Pvt Ltd				
42	AADCM7164M	Motisons Commodities Pvt. Ltd.				
43	AAACE1287C	Evergrowing Iron & Finvest Pvt. Ltd.				
44	AQEP0750Q	Rajbanshi Trading				
45	AAECT2124M	Tradebulls Enterprise Pvt. Ltd.				
46	DCIP83813Q	Avijit Saha				
47	AACHK9724K	Ketan Ramanlal Shah Huf				





S. No.	Entity PAN	Entity Name	Nature of Findings in Brief	Violation of SEBI Act/Rules/Regulations	Nature of Evidence	Action Proposed
48	AADCS6663F	Steel Crackers Pvt. Ltd.				
49	AACCK3755F	Prime Gold International Ltd.				
50	AADCR8889N	Raj Ratan Smelters Pvt. Ltd.				
51	ADIPB7693R	Sourabh H Bora				
52	AADEC1272A	Eden Trading Services Pvt. Ltd.				
53	AAGCM5635G	Mammon Concast Pvt. Ltd.				
54	AACCB3369A	Bhawani Ferrous Pvt. Ltd.				
55	AACCT2881K	Vsp Steel Pvt. Ltd.				
56	AAACP8582R	Panem Steel Pvt. Ltd.				
57	AAJHP3250L	Deepak Natvarlal Panikhyani Huf				
58	AAEPK3218C	Kirti Ramji Kothari				
59	BDHPM5310A	Umesh Malani				

13. References to other department

Name of entity		Violations	Evidence	Action Recommended
BSE Limited		BSE failed to identify the reversal trades that were executed in its Stock Options segment during the I.P. and the market integrity in BSE's Stock Options segment was breached.	Trade data, BSE Reply	Reference to MRD

Table 14

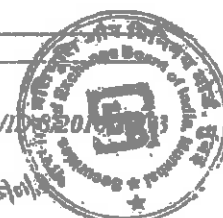
14. Past Actions Against The Alleged Entities (SEBI Action Taken Report)

SEBI ATR database has been checked on November 23, 2017 for all entities mentioned in Action Chart (Table 14) and the past actions are observed against the following entities:

Table 15

S. No.	Entity Name	Entity PAN	Action Taken	Case Name
1	Bharat Jayantilal Patel	AAAPP6852R	Enquiry	Global Telesystem Ltd.
			Adjudication	Ponni Sugars (Erode) Limited
			Enquiry & Prosecution	Tata Finance Ltd- Bookdated transactions in the shares of GTL & GECS
			11B Proceedings & Enquiry	BPL, Videocon, Sterlite
			11B Proceedings & Enquiry	Asian Star Company Limited
2	Gejanan Enterprises	AAKFG7595A	Adjudication	Varun Industries Limited
			Adjudication	Ess Dee Aluminium Ltd
			Adjudication	MIC Electronics Ltd
			Adjudication	Apollo Tyres Ltd
3	Gandiv Investment Private Limited	AACCG3017C	Adjudication	Ponni Sugars (Erode) Limited
4	Gyandeep Khemka	AGBPK0640F	Adjudication & 11B Proceedings	Sulabh Engineers & Services Ltd.
5	Jaldeep Halwasiya	AAWPH1708L	Adjudication & 11B Proceedings	Sulabh Engineers & Services Ltd.
6	Kirti Ramji Kothari	AAEPK3218C	Adjudication	Tijaria Polypipes Ltd.
7	Nikhil Jalan	AADCP2042F	Adjudication	Twilight Litaka Pharma Limited
8	Panem Steel Pvt. Ltd.	AAACP8582R	Adjudication & 11B Proceedings	Sulabh Engineers & Services Ltd.
9	Sourabh H Bora	ADIPB7693R	Adjudication	Mahan Industries Ltd
			Prosecution & 11B Proceedings	Snowcem India Ltd.
10	Swaran Financial Private Limited	AAEC54024R	Adjudication	Shree Om Trades Ltd
11	Umang Nemani	ABOPN7213K	Non Enforcement Action	M/s. Pipevav Defence & Offshore Engineering Co. Ltd.

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Amr-4
SAT order

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved on: 11.05.2022

Date of Decision : 13.05.2022

Appeal No. 191 of 2022

Shubham Singhal
Radha Bagh Colony,
Chomu, Jaipur,
Rajasthan – 303 802.

..... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Ashish Sharma, Advocate i/b Jain Sharma & Co.
Chartered Accountants for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta,
Mr. Shourya Tanay and Mr. Harshvardhan Nankani,
Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 192 of 2022

Goodfaith Infra Ventures Private Limited
48, Dobson Road,
Howrah – 711 101.

..... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Samyak Gangwal, Advocate with Mr. Krishnesh Bapat,
Advocate for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Abhiraj Arora,
Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan
Nankani, Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 193 of 2022

Kala Patodia
2UG, 31/41, Binova Bhawe Road,
Kolkata – 700 038. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Mani Shankar Chattopadhyaya, Advocate for the
Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta,
Mr. Shourya Tanay and Mr. Harshvardhan Nankani,
Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 194 of 2022

Sudhir Kumar Saha
244, Lake Town,
Block – A,
Kolkata – 700 089. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Varun Nathani, Advocate with Mr. Sukrut Mhatre,
Advocate for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta,
Mr. Shourya Tanay and Mr. Harshvardhan Nankani,
Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 195 of 2022

Sudhir Kumar Agarwal HUF
A-75, Gandhi Nagar,
Moradabad,
Uttar Pradesh – 244 001.

..... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Shadad M. Khan, Advocate for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta,
Mr. Shourya Tanay and Mr. Harshvardhan Nankani,
Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 196 of 2022

Aaina Engineering Pvt. Ltd.
9, India Exchange Place,
3rd Floor,
Kolkata – 700 001.

..... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

... Respondent

Mr. Rajiv Kumar Choudhary, Advocate with Mr. Kailash Dhanuka, Advocate for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan Nankani, Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 206 of 2022

Rajendra Kumar Agrawal
HB 30 Salt Lake Block,
HB Premises TO END WORD 17,
Salt Lake S N 24PGS,
Kolkata,
West Bengal – 700 106. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Ram Awatar Dhoot, CA i/b R. A. Dhoot & Co. Chartered Accountants for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan Nankani, Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 207 of 2022

Rajeev Gupta HUF
R/o G-69, Ashok Vihar,
Phase – I,
New Delhi – 110 052. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Mukesh Mohan Goyal, Advocate i/b RG Laws for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan Nankani, Advocates i/b ELP for the Respondent (SEBI).

WITH
Appeal No. 208 of 2022

Seema Agarwal
FD 356 Salt Lake City,
Sector III, Kolkata,
West Bengal – 700 091. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Ram Awatar Dhoot, CA i/b R. A. Dhoot & Co. Chartered Accountants for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan Nankani, Advocates i/b ELP for the Respondent (SEBI).

AND
Appeal No. 209 of 2022

Rajendra Kumar Agrawal HUF
HB 30 Salt Lake Block,
HB Premises TO END WORD 17,
Salt Lake S N 24PGS,
Kolkata,
West Bengal – 700 106. Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. ... Respondent

Mr. Ram Awatar Dhoot, CA i/b R. A. Dhoot & Co. Chartered Accountants for the Appellant.

Mr. Abhiraj Arora, Advocate with Ms. Anshu Mehta, Mr. Shourya Tanay and Mr. Harshvardhan Nankani, Advocates i/b ELP for the Respondent (SEBI).

CORAM : Justice Tarun Agarwala, Presiding Officer
Justice M.T. Joshi, Judicial Member
Ms. Meera Swarup, Technical Member

Per : Justice Tarun Agarwala, Presiding Officer

1. Even though separate orders have been passed, the issue is common, and accordingly all these appeals are being taken up together.

2. The appeals have been filed against various orders passed by the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) imposing penalty under Section 15HA of SEBI Act, 1992 for violation of Regulation 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations' for short).

3. After hearing various counsels for the appellants we find that the controversy involved in the present appeals is squarely covered by the decision of this Tribunal in *Global*

Earth Properties and Developers Pvt. Ltd. vs. SEBI, Appeal No. 212 of 2020 decided on September 14, 2020.

4. The learned counsel for the appellants tried to distinguish the said decision of this Tribunal on various grounds, namely, that the provisions of Section 15HA of SEBI Act is not applicable in view of the fact that appellant is not responsible for carrying out these transactions on an anonymous platform in as much as it was the broker who was responsible and who should have also been impleaded as a party and consequently the proceedings should be dismissed for non-joinder of necessary parties. Some of the appellants also contended that the investigation report was not supplied and in view of the latest decision of the Supreme Court in the matter of ***T. Takano vs Securities and Exchange Board of India & Anr. (Civil Appeal Nos. 487 - 488 of 2022) decided on February 18, 2022*** the impugned order should be set aside and the respondent should be directed to supply the investigation report before proceeding further. It was also urged that the penalty imposed is excessive and arbitrary and does not commensurate with the violation. It was contended that only one or two trades were made for which a heavy penalty has been imposed and that the factors contained under

Section 15J has not been taken into consideration while adjudging the quantum of penalty. It was also urged that some of the AOs have exonerated certain entities and persons for the similar offence on the ground that the alleged trades were miniscule and did not create an impact. One of the appellants contended that the presumption drawn by the AO was wholly erroneous and against the directions given by the Supreme Court in the case of *Securities and Exchange Board of India vs Kishore R. Ajmera [(2016) 6 SCC 368]* and in the case of *Balram Garg vs Securities and Exchange Board of India in Civil Appeal No. 7054 of 2021 decided recently on April 19, 2022*.

5. Having heard the learned counsel for the parties at some length, we find that the admitted position in all these appeals is, that appellants have not disputed the execution and subsequent reversal of trades as alleged in the show cause notice. We find that the execution of trades in an illiquid market with such precision in order placement indicates a prior meeting of minds with a view to execute reversal trades at predetermined price. We also find that there is a significant price difference between the sell price and the buy price within minutes and sometimes within seconds. This indicates

that the impugned transactions were manipulative and was a deceptive device to create a desired loss and/or profit. Such transactions were fraudulent and, therefore, violative of Regulation 3 and 4 of the PFUTP Regulations. Thus, it is not necessary for this Tribunal to delve into the assertions raised by the appellants. All the appeals fail and are dismissed in the light of the decision of this Tribunal in the matter of *Global Earth Properties and Developers Pvt. Ltd. (supra)*.

6. However, before parting we would like to say that a large numbers of appeals are being filed on the same issue on a daily basis. We find that SEBI had made an investigation which revealed that thousands of entities were indulging in reversal trades which were found to be non-genuine trades and a misuse of the Stock Exchange platform. SEBI accordingly initiated penalty proceedings in a large number of matters in which penalties were imposed, against which large number of appeals were filed which were decided by this Tribunal in *Global Earth Properties and Developers Pvt. Ltd. (supra)*.

7. We are informed that SEBI has initiated proceedings against 14720 entities which are pending before various AOs which have clogged up their dockets.

8. In the past when appeals against these kind of orders being passed we had directed SEBI by our order dated October 14, 2019 that SEBI should explore and come out with some mechanism or a scheme such as a Lok Adalat so that parties could settle the matter. Based on the directions given by this Tribunal, SEBI came out with a settlement scheme in August 2020 which was framed under the SEBI (Settlement Proceedings) Regulations, 2018 ('Settlement Regulations, 2018' for short). This scheme came to an end in December 2020. This scheme was not successful for two reasons, namely, that the terms of settlement perhaps were onerous, stringent and unviable and further the scheme was issued during the peak of the Covid pandemic.

9. We find that as on date more than 14,000 matters are pending before various AOs. Their dockets are exploding and the disposal of these matters will take atleast a couple of years. As a result, all the AOs are over worked, their dockets are clogged and serious matters are given a back seat.

10. We also find that in a large number of cases the AOs have exonerated the noticees or have imposed lesser penalty based on which, appeals are being filed before this Tribunal seeking reduction in the quantum of penalty.

11. In this regard the penalty which is being imposed is under 15HA of the SEBI Act which prescribes a minimum penalty of Rs. 5 lakh. This provision was amended on September 8, 2014 by Act No. 27 of 2014. Most of the trades in this illiquid stock option matters are during the period 2014-15. We find that where transaction were executed prior to September 8, 2014 the AOs have imposed a penalty of Rs. 1 lakh and on similar trades executed after September 8, 2014 a penalty of Rs. 5 lakh have been imposed. Thus, on the same set of violation two quantum of penalties are being imposed, Rs. 1 lakh and / or Rs. 5 lakh or more as the case may be. This has created an anomalous situation and is a bit unfair.

12. Section 15JB of the SEBI Act provides for settlement of administrative and civil proceedings. For facility, the said provision is extracted here under:-

Settlement of administrative and civil proceedings.

"15JB. (1) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 11, section 11B, section 11D, sub-section (3) of section 12 or section 15-I, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(2) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under this Act.

(3) The settlement proceedings under this section shall be conducted in accordance with the procedure specified in the regulations made under this Act. (4) No appeal shall lie under section 15T against any order passed by the Board or adjudicating officer, as the case may be, under this section."

13. The said provision starts with a non-obstante clause, namely, "*notwithstanding anything contained in any other law for the time being in force*". Where any proceedings have been initiated under the SEBI Act, any person may file an application for settlement of the proceedings. Section 15JB(3) provides that settlement proceedings would be conducted in accordance with the procedure specified in the Regulations. Chapter II provides the procedure for filing 'Application for Settlement', Chapter III provides the 'Scope of Settlement, Chapter IV provides the 'Terms of Settlement', Chapter V provides the constitution of a High Powered Advisory Committee which recommends the terms of settlement and Chapter VI provides the 'Procedure for Settlement'. The procedure envisaged under the settlement rules is thus complicated and at times the terms of settlement becomes stringent.

14. The settlement scheme that was issued in August 2020 under Chapter VI of the aforesaid Settlement Regulations, 2018 did not generate interest to these small time noticees who had executed few trades for small gains as the proposed settlement terms were found to be stringent, onerous and unviable and that could be one of the reason why many noticees did not opt under that scheme.

15. We, however, find that the respondent could still initiate another scheme under Clause 26 of the Settlement Regulations, 2018. For facility, the said provision is extracted here under:-

Settlement of Schemes.

“26. Notwithstanding anything contained in these regulations, the Board may specify the procedure and terms of settlement of specified proceedings under a settlement scheme for any class of persons involved in respect of any similar specified defaults.

Explanation.- A settlement order issued under a Settlement scheme shall be deemed to be a settlement order under these regulations.”

16. The aforesaid provision also starts with a non-obstante clause, namely, “*notwithstanding anything contained in these regulations*” that is to say, notwithstanding the procedure provided under Chapter II, III, IV, V and VI the Board could specify the procedure and terms of settlement of specified

proceedings under a settlement scheme for any class or persons involved in respect of any similar specified defaults. 'Specified proceedings' has been defined under Section 2(f) of the Settlement Regulations, 2018, namely, the proceedings that have been initiated by SEBI under the SEBI Act, Securities Contracts (Regulation) Act, 1956 or Depositories Act, 1996 as the case may be. 14,000 odd cases have been initiated under the illiquid stock option matters wherein similar kind of transaction have been executed and similar violation is proposed against all these noticees under Regulation 3 and 4 of the PFUTP Regulations. These 14,000 entities form a class of persons and are involved for similar defaults. Therefore, in our opinion, the Board can specify a procedure and terms of settlement for these classes of persons under Clause 26 of the Settlement Regulations, 2018.

17. We are, thus, of the opinion that SEBI should reconsider and seriously give a thought in coming out with a fresh scheme under Clause 26 of the Settlement Regulations, 2018. Such scheme can be a onetime scheme for this class of person. The terms of settlement should be attractive so that it could attract the noticees / entities to come forward and settle the matter which will ameliorate the harassment of penalty

proceedings to the noticees and at the same time would help to clear the backlog of these pending matters before various AOs.

18. While considering the scheme SEBI should take into consideration the provision of Section 15HA of SEBI Act prior to the amendment made by Act No. 27 of 2014 with effect from September 8, 2014. We find that various AOs have imposed a sum of Rs. 1 lakh for similar trades which were executed prior to September 8, 2014 and Rs. 5 lakh have been imposed for similar trades after the amendment of September 8, 2014.

19. SEBI should also take into consideration that only a few trades were executed for small gains and some of the AOs have exonerated these noticees on the ground that such miniscule trades did not create any impact.

20. We also request SEBI that while framing a scheme under the Settlement Regulations, 2018 it may also take into consideration the reduction of the quantum of penalty imposed in matters decided so far.

21. We direct the Registrar of this Tribunal to send a certified copy of this order to the Chairperson of SEBI within a week for necessary information and action.

22. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

Ms. Meera Swarup
Technical Member

13.05.2022
msb

RAJALA Digitally signed
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