



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER

Through Hand Delivery / Affixture

EAD-4/GR/KG/OW/ 03686 /2019
June 4, 2019

Eveningstar Dealtrade Private Limited

(PAN: AADCE1166H)

31/1 Chhatawala Gali, 2nd floor,

Kolkata, West Bengal- 70001

Email ID- eveningstardealtrade@gmail.com
radheradhe@yahoo.com

Sub: Hearing Notice under Rule 4(3) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995.

- Ref. 1) Adjudication proceedings in the matter of dealings in Illiquid Stock Options at Bombay Stock Exchange Limited.
2) Show Cause Notice dated August 30, 2018

This is with reference to the captioned adjudication proceedings initiated against you vide the aforesaid Show Cause Notice (hereinafter referred to as "SCN"). It is observed that the aforesaid SCN has returned undelivered.

You may note that pursuant to the transfer of Shri Satya Ranjan Prasad, the undersigned has been appointed as Adjudicating Officer in the matter by the Competent Authority, vide communique dated May 22, 2019 (copy attached).

In the interest of natural justice, you are hereby granted an opportunity of personal hearing before the undersigned in respect of the aforesaid matter on **June 17, 2019 at 3 PM** at SEBI Bhavan II, Plot No: C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051.

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

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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If you have any submissions / documents to submit in respect of the SCN you may do so on or before the date of hearing failing which it will be presumed that you have nothing further to add and the matter shall be proceeded based on facts / material available on record.

Please acknowledge receipt of this notice and confirm the name of the official(s) with designation(s)/representative(s), if any, appearing for the hearing **at least two working days** before the hearing date. You are also required to submit an appropriate letter of authority at the time of the hearing. Further, your official(s)/representatives(s) are required to submit copy of their Photo Identity Card, at the time of hearing.

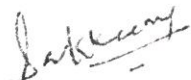

G. Ramar

Encl: A) Appointment order dated May 22, 2019
B) Copy of SCN dated August 30, 2018

SECURITIES AND EXCHANGE BOARD OF INDIA
Communication of Order appointing Adjudicating Officer

1. Whereas in exercise of the powers conferred upon the Competent Authority under Section 19 of the SEBI Act, 1992, read with Section 15 I of the SEBI Act, 1992, Section 19 H of Depositories Act, 1996, Section 23 I of SCRA Act, 1956, Rule 3 of Depositories (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005, Rule 3 of Securities Contract (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995, Shri Satya Ranjan Prasad, Chief General Manager was appointed Adjudicating Officer vide various orders issued earlier (hereinafter referred as "Original Orders") in respect of entities mentioned in the Annexure.
2. Whereas vide Order no. 11/2019 dated February 12, 2019, Shri Satya Ranjan Prasad, Chief General Manager has been transferred from EAD to ERO.
3. Now in terms of the powers conferred by SEBI (Delegation of Powers) Order, 2015 read with SEBI Act, 1992, Depositories Act, 1996, SCRA Act, 1956 and the respective rules made thereunder, WTM (Shri Ananta Barua) vide an order dated May 17, 2019 has transferred the Adjudication proceedings in respect of entities enumerated in the said Annexure to Shri G. Ramar, Chief General Manager and appointed him as Adjudicating Officer.
4. Except for the change of Adjudicating Officer, all other terms and conditions of 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.
5. The said proceedings of appointment are hereby communicated to the Adjudicating Officer to conduct the Adjudication Proceedings in the manner specified under SEBI Act, 1992, Depositories Act, 1996, SCRA 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, SCRA Act, 1956 and the respective rules made thereunder.

Dated at Mumbai, on this 22nd day of May, 2019.


SAKKEENA P. V.
GENERAL MANAGER



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SATYA RANJAN PRASAD
ADJUDICATING OFFICER
Email: satyarp@sebi.gov.in

EAD-4/ADJ/SRP/HKS/OW/P/24311/1/2018
30.08.2018

By Speed Post / AD and E-mail

Eveningstar Dealtrade Private Limited
31/1 Chhatawala Gali, 2nd Floor,
Kolkata, West Bengal - 700001
Email ID - eveningstardealtrade@gmail.com

Notice under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992 in respect of Eveningstar Dealtrade Private Limited in the matter of dealings in Illiquid Stock Options at Bombay Stock Exchange limited.

1. The Securities and Exchange Board of India (*hereinafter, referred to as "SEBI"*) initiated adjudication proceedings in respect of Eveningstar Dealtrade Private Limited bearing PAN: AADCE1166H (*hereinafter, referred to as "Noticee"*) for carrying out alleged non-genuine trades in illiquid stock options at Bombay Stock Exchange limited (*hereinafter, referred to as "BSE"*), thereby, violating the provisions of Regulation 3(a), (b), (c), (d) and 4(1), 4(2) (a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (*hereinafter, referred to as "PFUTP Regulations, 2003"*).
2. In this regard, initially, Shri Biju. S was appointed as the Adjudicating Officer (AO) by SEBI, under Section 19 read with Section 15-I (1) of the SEBI Act, 1992 (*hereinafter, referred to as "SEBI Act"*) and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (*hereinafter, referred to as "SEBI Adjudication Rules 1995"*) to conduct adjudication proceedings *inter-alia* in respect of the Noticee, in the manner specified under Rule 4 of the SEBI Adjudication Rules, 1995 read with Section 15-I (1) and (2) of the SEBI Act, and if satisfied that penalty is liable, to impose

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such penalty deemed fit in terms of Rule 5 of the SEBI Adjudication Rules 1995 and Section 15HA of the SEBI Act. Subsequently, in the matter the undersigned has been appointed as the AO by SEBI, on July 06, 2018, in the place of Shri Biju. S. (Copy of the SEBI's communiques for appointing the AO, in the aforesaid matter are enclosed as **"Annexure A"**).

3. SEBI observed large scale reversal of trades in the Stock Options segment of BSE leading to creation of artificial volume. SEBI conducted investigation into the trading activity in illiquid Stock Options at BSE for the period from 01/04/2014 to 30/09/2015 (hereinafter referred to as **"Investigation Period"**).
4. Reversal trades have been considered those trades in which an entity reverse its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are alleged to be non-genuine trades as they are not executed in normal course of trading, lack basic trading rationale, and allegedly lead to false or misleading appearance of trading in terms of generation of artificial volume, hence were deceptive and manipulative. Artificial volume is considered to be the volume (no. of units) reversed in both legs of said reversal trades while keeping out the volume, if any, which is not reversed.
5. Pursuant to investigation, it is observed that during the investigation period, total 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 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.
6. It is noted that said 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 entities which were indulged in execution of non-genuine trades in Stock



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Options Segment of BSE during the investigation period. Following points mention the dealings of Noticee in Stock Options segment of BSE during the investigation period and allegations against Noticee for execution of non-genuine trades.

7. Non-genuine trades and artificial volume are illustrated through the dealings of the Noticee in the contract viz, "ADPW15JUL22.00CEW2" during the investigation period, mentioned as follows:
- (a) During the investigation period, total 2 trades for 4,56,000 units were executed in the said contract on 26/06/2015, wherein Noticee was party to all the said trades.
 - (b) While dealing in the said contract on 26/06/2015, Noticee at 12:25:00 hrs entered into 1 sell trade with counter party viz, ASHOK B PAREKH & OTHERS HUF for 2,28,000 units at rate of Rs. 5.30 per unit. Thereafter, on the same day, within 4 seconds from the above trade, Noticee, at 12:25:04 hrs entered into 1 buy trade with same counterparty for 2,28,000 units at rate of Rs. 7.50 per unit.
 - (c) From the above, it is noted that while dealing in the said contract during the investigation period, Noticee executed total 2 reversal trades (1 buy trade + 1 sell trade) with same counterparty viz, ASHOK B PAREKH & OTHERS HUF on the same day and with significant price differential in buy and sell rate.
 - (d) Thus, Noticee, through its dealing in the contract viz, "ADPW15JUL22.00CEW2" during the investigation period, executed 2 non genuine trades which is 100% of the total trades from the market in the said contract during the investigation period, and thereby, Noticee generated artificial volume of 4,56,000 units which is 100% of the volume traded in the said contract from the market during the investigation period.



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8. Similarly, Noticee allegedly indulge in execution of non-genuine trades and generation of artificial volume in several other contracts during the investigation period. Noticee, during the investigation period traded in total 106 unique contracts, from which it allegedly executed 267 non genuine trades in 106 contracts, resulting in artificial volume of total 2,52,98,250 units. Noticee, by executing non genuine trades during the investigation period incurred loss of Rs. 5,36,44,275/- approx.
9. Details of all the trades of Noticee in Stock Options segment of BSE during the investigation period are given in “**Annexure B**”, details of all the non-genuine trades of Noticee in Stock Option Segment of BSE during the investigation period are given in “**Annexure C**”, and the detailed summary of dealings of Noticee in 106 Stock Options contracts in which Noticee allegedly executed non genuine trades during the investigation period is given in “**Annexure D**”.
10. Summary of dealings of Noticee in 106 Stock Options contracts in which it allegedly executed non genuine trades during the investigation period, is as follows:

Table – Summary of dealings of Noticee in contracts wherein he executed non genuine trades

S. No.	Contract Name	Avg. Buy Rate (Rs.)	Total Buy Volume (no. of units)	Avg. Sell Rate (Rs.)	Total Sell Volume (no. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Entity in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	ADPW15JUL22.00CEW2	7.50	228000	5.30	228000	100%	100%	100%	100%
2	ADPW15JUL24.00CE	8.00	48000	4.70	48000	100%	17%	100%	9%
3	ADPW15JUL34.00PE	5.40	72000	2.50	72000	100%	50%	100%	38%
4	AMBC15JUL235.00CE	13.00	135000	4.50	135000	100%	100%	100%	100%
5	ANBK15JUL60.00CE	10.80	88000	6.20	88000	100%	50%	100%	58%
6	ANBK15JUL90.00PE	19.50	128000	12.50	128000	100%	100%	100%	100%
7	ARVI15JUL260.00PEW4	8.00	78000	1.00	78000	100%	100%	100%	100%
8	BHEL15JUL260.00CE	8.40	50000	1.40	50000	100%	17%	100%	21%
9	BHRT15JUL430.00CEW4	11.00	81000	3.00	81000	100%	14%	100%	40%
10	BIOC15JUL460.00PE	9.10	25000	1.10	25000	100%	100%	100%	100%



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S. No.	Contract Name	Avg. Buy Rate (Rs.)	Total Buy Volume (no. of units)	Avg. Sell Rate (Rs.)	Total Sell Volume (no. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Entity in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
11	BIOC15JUL470.00CEW4	10.21	37500	2.24	37500	100%	100%	100%	100%
12	BIOC15JUL480.00PE	17.00	66500	5.00	66500	100%	25%	100%	51%
13	BOBL15AUG135.00CEW2	18.50	72000	13.00	72000	100%	100%	100%	100%
14	BOBL15JUL150.00CE	7.80	204000	2.39	204000	100%	50%	100%	57%
15	BOBL15JUL155.00PEW4	8.00	50000	3.00	50000	100%	33%	100%	23%
16	BOIL15JUL165.00CEW4	14.00	100000	9.00	100000	100%	100%	100%	100%
17	BOIL15JUL185.00PE	7.00	54000	1.50	54000	100%	100%	100%	100%
18	BOIL15JUL185.00PEW4	6.00	73000	1.20	73000	100%	100%	100%	100%
19	CANB15JUL290.00CEW4	13.00	50000	5.00	50000	100%	100%	100%	100%
20	DABU15JUL290.00CE	11.00	43000	4.00	43000	100%	22%	100%	16%
21	DABU15JUL300.00PE	17.00	33000	9.50	33000	100%	50%	100%	31%
22	DIVI15JUL1890.00PE	61.00	15125	8.00	15125	100%	100%	100%	100%
23	DLFL15JUL115.00CE	7.20	134000	2.00	134000	100%	13%	100%	34%
24	EXID15JUL140.00CE	11.50	130000	6.50	130000	100%	33%	100%	45%
25	EXID15JUL160.00PE	11.00	124000	5.00	124000	100%	100%	100%	100%
26	FEDB15AUG60.00CEW2	9.80	56000	6.20	56000	100%	100%	100%	100%
27	FEDB15JUL60.00CE	12.00	80000	7.00	80000	100%	22%	100%	19%
28	FEDB15JUL67.00CE	12.00	156000	6.00	156000	100%	33%	100%	35%
29	FEDB15JUL67.00CEW4	9.20	116000	5.80	116000	100%	100%	100%	100%
30	FEDB15JUL80.00PE	10.00	68000	5.50	68000	100%	50%	100%	63%
31	FEDB15JUL85.00PEW4	9.05	104000	5.20	104000	100%	100%	100%	100%
32	FEDB15JUL87.00PE	11.00	168000	6.50	168000	100%	22%	100%	40%
33	GMR15JUL22.00PEW1	7.50	442000	4.10	442000	100%	100%	100%	100%
34	HDIL15AUG65.00CEW2	19.50	104000	14.46	104000	100%	100%	100%	100%
35	HNDL15AUG100.00CEW1	10.30	20000	5.30	20000	100%	100%	100%	100%
36	HNDL15AUG100.00CEW2	10.30	48000	6.18	48000	100%	100%	100%	100%
37	HNDL15AUG100.00CEW3	10.30	20000	5.30	20000	100%	50%	100%	29%
38	IBRL15JUL44.00CEW1	9.90	112000	6.40	112000	100%	100%	100%	100%
39	IBRL15JUL65.00PE	11.90	172000	7.30	172000	100%	33%	100%	64%
40	IBRL15JUL70.00PE	15.80	144000	11.00	144000	100%	50%	100%	55%
41	IBRL15JUN30.00CE	14.06	212000	9.38	212000	100%	100%	100%	100%
42	IDBI15JUL55.00CE	10.00	264000	6.20	264000	100%	100%	100%	100%



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43	IDBI15JUL80.00PE	15.48	244000	9.34	244000	100%	100%	100%	100%
44	IDBI15JUN50.00CE	12.00	208000	7.20	208000	100%	18%	100%	32%
45	IDBI15JUN50.00CEW3	12.00	100000	7.00	100000	100%	20%	100%	17%
46	IDEA15JUL170.00CE	16.50	30000	8.90	30000	100%	33%	100%	13%
47	IDEA15JUL180.00CE	6.50	120000	1.50	120000	100%	33%	100%	48%
48	IFCI15JUL20.00CEW2	6.25	200000	4.25	200000	100%	33%	100%	52%
49	IFCI15JUN20.00CEW3	6.40	184000	3.70	184000	100%	13%	100%	13%
50	IFCI15JUN22.00CE	4.40	112000	2.73	112000	100%	22%	100%	16%
51	IFCI15JUN34.00PE	7.50	168000	4.60	168000	100%	50%	100%	41%
52	IIBK15JUL860.00CE	33.00	38000	12.00	38000	100%	100%	100%	100%
53	INCM15JUL70.00CE	16.00	72000	9.00	72000	100%	100%	100%	100%
54	IOBL15JUN30.00CE	7.30	168000	4.30	168000	100%	25%	100%	40%
55	IOBL15JUN44.00PE	6.30	72000	4.20	72000	100%	100%	100%	100%
56	JAIA15JUN8.00CE	4.20	232000	2.30	232000	100%	33%	100%	34%
57	JPPW15JUL14.00PEW3	7.10	228000	4.10	228000	100%	33%	100%	26%
58	JPPW15JUL2.00CEW2	4.90	323000	3.10	323000	100%	100%	100%	100%
59	JPPW15JUN2.00CE	4.50	345000	2.86	345000	100%	23%	100%	23%
60	JPPW15JUN4.00CE	2.60	165000	1.50	165000	100%	17%	100%	17%
61	JSWE15JUL90.00CE	13.00	108000	6.00	108000	100%	33%	100%	55%
62	KARB15AUG140.00CEW3	7.00	48000	2.19	48000	100%	67%	100%	52%
63	KARB15JUL150.00PE	7.07	108000	3.37	108000	100%	67%	100%	62%
64	KARB15JUL160.00PE	13.00	128000	6.00	128000	100%	100%	100%	100%
65	LNTF15AUG55.00CEW3	16.30	84000	10.30	84000	100%	50%	100%	48%
66	LNTF15JUN55.00CE	8.05	32000	5.00	32000	100%	13%	100%	7%
67	LNTF15JUN70.00PEW3	7.43	168000	5.05	168000	100%	57%	100%	32%
68	NHPC15JUN12.00CE	7.75	50000	5.00	50000	100%	14%	100%	14%
69	NHPC15JUN14.00CEW3	5.20	280000	3.10	280000	100%	5%	100%	17%
70	NHPC15JUN16.00CEW3	3.20	170000	2.00	170000	100%	9%	100%	14%
71	NHPC15JUN26.00PEW3	6.80	40000	4.20	40000	100%	20%	100%	3%
72	NMDC15JUL110.00CE	10.00	118000	5.98	118000	100%	29%	100%	17%
73	NMDC15JUL115.00CE	3.30	34000	1.30	34000	100%	17%	100%	8%
74	NMDC15JUL115.00CEW4	5.40	66000	2.40	66000	100%	50%	100%	57%



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75	NTPC15AUG130.00CEW3	9.20	48000	5.00	48000	100%	100%	100%	100%
76	NTPC15JUN130.00CEW3	6.80	76000	4.20	76000	100%	100%	100%	100%
77	PFCL15JUL250.00CE	13.00	126000	4.00	126000	100%	13%	100%	35%
78	PFCL15JUL260.00CE	7.00	72000	1.50	72000	100%	25%	100%	43%
79	PNBK15AUG125.00CEW2	17.50	58000	9.00	58000	100%	50%	100%	94%
80	PNBK15JUL140.00CE	6.62	106000	1.87	106000	100%	17%	100%	15%
81	PTCI15JUL55.00CE	15.70	76000	9.00	76000	100%	50%	100%	28%
82	PTCI15JUN75.00PEW3	12.00	64000	8.80	64000	100%	33%	100%	33%
83	RCOM15AUG60.00CEW1	9.90	88000	5.55	88000	100%	100%	100%	100%
84	RCOM15AUG80.00PEW3	11.20	100000	6.20	100000	100%	25%	100%	27%
85	RCOM15JUL65.00CE	3.80	128000	1.46	128000	100%	100%	100%	100%
86	RPOW15JUL44.00PEW4	1.60	100000	0.10	100000	100%	50%	100%	68%
87	RPOW15JUL45.00CE	2.50	76000	0.50	76000	100%	100%	100%	100%
88	RPOW15JUN35.00CEW3	8.90	168000	5.40	168000	100%	40%	100%	37%
89	RPOW15JUN36.00CEW3	7.80	156000	4.60	156000	100%	33%	100%	66%
90	RPOW15JUN50.00PEW3	6.20	180000	4.00	180000	100%	50%	100%	74%
91	SAIL15AUG40.00CEW3	25.00	60000	15.00	60000	100%	100%	100%	100%
92	SAIL15JUL40.00CE	17.00	68000	11.00	68000	100%	50%	100%	45%
93	SAIL15JUL45.00CE	13.00	328000	10.50	328000	100%	100%	100%	100%
94	SAIL15JUL50.00CE	18.00	132000	9.20	132000	100%	25%	100%	52%
95	SAIL15JUL65.00PEW4	5.10	48000	3.00	48000	100%	50%	100%	32%
96	SAIL15JUN55.00CEW3	6.10	164000	3.70	164000	100%	50%	100%	72%
97	SOIB15AUG20.00CEW2	3.65	99000	2.40	99000	100%	100%	100%	100%
98	SOIB15AUG32.00PE	9.00	117000	5.50	117000	100%	100%	100%	100%
99	SOIB15JUL18.00CEW3	7.05	153000	4.40	153000	100%	50%	100%	57%
100	UBIL15JUL165.00CE	11.20	196000	6.48	196000	100%	50%	100%	54%
101	UCOB15AUG65.00PE	14.20	44000	7.40	44000	100%	100%	100%	100%
102	UCOB15AUG70.00PEW2	16.70	120000	10.00	120000	100%	33%	100%	33%
103	UCOB15JUL35.00CE	18.60	128000	12.20	128000	100%	100%	100%	100%
104	UCOB15JUL45.00CE	9.00	232000	6.00	232000	100%	14%	100%	28%
105	UCOB15JUL65.00PE	11.47	236000	6.30	236000	100%	40%	100%	48%
106	VOLT15JUL310.00CE	10.80	54000	3.36	54000	100%	67%	100%	64%



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11. From the above table, following is noted as regards to dealings of Noticee in said 106 contracts:

- a) In all the above 106 contracts, all the trades executed by Noticee were allegedly non-genuine trades.
- b) No. of non-genuine trades of Noticee has significantly contributed to the total no. of trades from the market in the above contracts, as a substantial 5% to 100% of the trades happened in the aforementioned contracts were due to alleged non-genuine trades executed by the Noticee.
- c) A substantial 100% of volume generated by the Noticee in all 106 contracts was artificial volume, and further artificial volume generated by the Noticee also contributed to significant 3% to 100% of the total volume from the market in the said 106 contracts.
- d) 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.

12. In view of the foregoing, it is alleged that the Noticee, indulged in execution of reversal of trades in Stock Options segment of BSE with same entities on the same day. Such trades are non-genuine in nature and have created false and misleading appearance of trading in terms of artificial volumes in the stock options segment and therefore alleged to be manipulative, deceptive in nature. Thus, Noticee, allegedly violated the provisions of Regulation 3 (a), (b), (c), (d), and 4(1), 4(2) (a) of the PFUTP Regulations, 2003.

13. Provisions of the aforesaid alleged violations committed by the Noticee are *inter-alia* read as under:-

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or



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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;

14. The aforesaid alleged contravention of the provisions of Regulation 3 (a), (b), (c), (d), and 4(1), 4(2) (a) of the PFUTP Regulations, 2003 make the Noticee liable for monetary penalty under Section 15HA of SEBI Act, 1992. Provisions of Section 15HA of SEBI Act, 1992 *inter-alia* read as under:

88[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 89[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].

88 Inserted by the SEBI (Amendment) Act, 2002, w.e.f.29-10-2002.

89 Substituted for the words —twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher // by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014

15. With respect to above alleged violations, Noticee, is therefore, called upon to show cause as to why an inquiry should not be held against it in terms of Rule 4 of the SEBI Adjudication Rules, 1995 read with section 15-I of the SEBI Act, and



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penalty should not be imposed in terms of Rule 5 of the said Rules and the provisions of Section 15HA of SEBI Act.

16. Noticee's reply, if any, should reach the undersigned, at the address given below as well as through email at "satyarp@sebi.gov.in", within 14 - days from the date of the receipt of this Notice, failing which it shall be presumed that Noticee has no reply to submit and the matter would be further proceeded with on the basis of the materials available on record in terms of Rule 4 (7) of SEBI Adjudication Rules, 1995.

**Securities and Exchange Board of India
SEBI Bhavan, C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051**

17. The Noticee is advised to provide copy of its PAN and email-id and also to keep the undersigned informed about the change in its correspondence address, if any, till the proceedings are complete.


**Satya Ranjan Prasad
Adjudicating Officer**

Enclosures:

Annexure	Copy of relevant documents enclosed with this SCN	No. of pages
A	Copy of SEBI communiques appointing Adjudicating Officer	5
B	Integrated trade log of all trades of the Noticee in Stock Option segment of BSE during the investigation period.	Excel files copied in a CD
C	Integrated trade log of all non-genuine trades of the Noticee in Stock Option segment of BSE during the investigation.	
D	Detailed summary of dealings of the Noticee in Stock Options contracts in which Noticee allegedly executed non genuine trades during the investigation period.	

Annexure A

SECURITIES AND EXCHANGE BOARD OF INDIA
Communication of Order appointing Adjudicating Officer

1. Whereas in exercise of the powers conferred upon the Competent Authority under Section 19 of the SEBI Act, 1992, read with Section 15 I of the SEBI Act, 1992, Section 19 H of Depositories Act, 1996, Section 23 I of SCRA Act, 1956, Rule 3 of Depositories (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005, Rule 3 of Securities Contract (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995, Shri S Biju, Chief General Manager was appointed Adjudicating Officer vide various orders issued earlier (hereinafter referred as "Original Orders") in respect of entities mentioned in the Annexure.
2. Whereas vide Order no. 42/2018 dated June 25, 2018, Shri S Biju, Chief General Manager has been transferred from EAD to EFD.
3. Now in terms of the powers conferred by SEBI (Delegation of Powers) Order, 2015 read with SEBI Act, 1992, Depositories Act, 1996, SCRA Act, 1956 and the respective rules made thereunder, the Executive Director vide an order dated July 06, 2018 has transferred the Adjudication proceedings in respect of entities enumerated in the said Annexure to Shri Satya Ranjan Prasad, Chief General Manager and appointed him as Adjudicating Officer.
4. Except for the change of Adjudicating Officer, all other terms and conditions of 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.
5. The said proceedings of appointment are hereby communicated to the Adjudicating Officer to conduct the Adjudication Proceedings in the manner specified under SEBI Act, 1992, Depositories Act, 1996, SCRA 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, SCRA Act, 1956 and the respective rules made thereunder.

Dated at Mumbai, on this 6th day of July, 2018


SAMRAT DUTTA
DEPUTY GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA