BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No: Order/AP/SK/2020-21/7964]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995.

In respect of:

Ashlar Commodities Private Limited
(PAN: AAHCA9620N)
A 38, Sector 67,
Noida, Uttar Pradesh-201301.

In the matter of Illiquid Stock Options at BSE

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1. Securities and Exchange Board of India ('SEBI') observed large scale reversal of trades in the Stock Options Segment of the BSE Limited (hereinafter be referred to as 'BSE') and, pursuant to this, it conducted investigation into the trading activities of certain entities in illiquid Stock Options at the BSE for the period April 01, 2014 to September 30, 2015 (hereinafter be referred to as 'the Investigation Period'). Investigation revealed that during the Investigation Period, a total of 2,91,643 trades (comprising 81.38% of all the trades executed in the Stock Options Segment of BSE) involved reversal of buy and sell positions by the clients and counterparties in a contract. These 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. It was further noted that said alleged non genuine trades were not restricted to any specific contract or between any specific set of entities.

2. Ashlar Commodities Private Limited (hereinafter be referred to as 'the Noticee") was one of the several entities which was indulged in execution of such alleged non genuine trades. It was observed from the trade log of the Noticee that it had traded in 530 unique contracts in the Stock Options segment of BSE during the relevant period, in which it has allegedly entered into non genuine trades in 528 contracts wherein it executed a total of 1154 trades out of which 1151 trades were allegedly non genuine trades which had resulted into creation of artificial volume of total 2,87,13,000 units in the given 528 contracts. It is further observed that the Noticee, by executing non genuine trades during the relevant period, registered a positive close out difference of ₹ 8,06,09,700. The trades entered by the Noticee were reversed on the same day within few minutes with same counterparty at a substantial price difference without any basis for significant change in the contract price which indicates that these trades were artificial and non-genuine in nature. The summary of dealings of Noticee in such 528 Stock Options contracts is as follows:

Table 1: Summary of dealings of the Noticee in contracts wherein it 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 Noticee 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	ABNV15AUG1590.00PE	4.25	19000	14.00	19000	100%	33%	100%	33%
2	ABNV15AUG1710.00PEW1	3.65	30000	8.00	30000	100%	33%	100%	50%
3	ABNV15JUL1680.00PE	2.10	30000	8.00	30000	100%	50%	100%	60%
4	ABNV15SEP1650.00PE	18.00	30000	9.25	30000	100%	20%	100%	29%
5	ABNV15SEP2070.00CE	48.00	25000	59.00	25000	100%	33%	100%	43%
6	ADPW15APR30.00CEW1	14.70	16000	24.50	16000	100%	50%	100%	25%
7	ADPW15APR40.00CEW1	7.50	24000	12.90	24000	100%	100%	100%	100%
8	ADPW15APR65.00PEW2	12.90	24000	19.50	24000	100%	100%	100%	100%
9	ADPW15APR70.00PEW3	13.90	16000	24.50	16000	100%	50%	100%	20%
10	ALBK15APR120.00PEW1	16.50	24000	25.50	24000	100%	100%	100%	100%
11	ALBK15APR120.00PEW2	8.50	24000	17.90	24000	100%	18%	100%	27%
12	ALBK15APR125.00PEW1	13.10	20000	24.70	20000	100%	50%	100%	50%
13	ALBK15APR125.00PEW3	20.50	20000	30.50	20000	100%	100%	100%	100%
14	ALBK15APR80.00CEW1	13.50	20000	21.50	20000	100%	25%	100%	17%
15	ALBK15APR90.00CEW2	7.10	24000	13.10	24000	100%	50%	100%	71%
16	ALBK15JUL100.00PE	7.10	16000	12.50	16000	100%	50%	100%	17%
17	ALBK15JUL105.00PE	11.90	16000	17.30	16000	100%	100%	100%	100%
18	ALBK15JUL75.00CE	10.43	36000	15.56	36000	100%	33%	100%	14%
19	ALBK15MAR85.00CEW1	11.50	84000	22.99	84000	100%	36%	100%	21%
20	ALBK15MAR95.00CE	7.20	16000	13.50	16000	100%	14%	100%	19%
21	ALBK15MAY120.00PE	15.90	14000	20.50	14000	100%	33%	100%	32%
22	ALBK15MAY90.00CE	9.50	12000	13.10	12000	100%	14%	100%	5%
23	AMBC15MAR240.00CEW2	20.50	15000	28.50	15000	100%	100%	100%	100%
24	AMBC15MAR280.00PEW2	12.50	15000	20.50	15000	100%	17%	100%	4%
25	AMBC15MAY230.00CE	8.50	14000	12.50	14000	100%	100%	100%	100%
26	AMTK15APR120.00CEW2	20.50	20000	32.50	20000	100%	22%	100%	8%
27	AMTK15APR125.00CEW1	7.50	24000	13.00	24000	100%	100%	100%	100%
28	AMTK15APR130.00CEW1	23.20	26000	25.90	26000	100%	33%	100%	38%
29	AMTK15APR135.00CEW2	13.30	26000	25.50	26000	100%	100%	100%	100%
30	AMTK15APR150.00PEW3	11.50	20000	19.50	20000	100%	33%	100%	28%
31	AMTK15MAR140.00CEW2	10.50	16000	17.50	16000	100%	22%	100%	12%
32	AMTK15MAR170.00PEW2	10.50	16000	20.90	16000	100%	50%	100%	50%
33	AMTK15MAY120.00CE	26.50	24000	31.50	24000	100%	50%	100%	50%
34	AMTK15MAY125.00CE	26.50	14000	29.10	14000	100%	50%	100%	58%
35	AMTK15MAY140.00CE	10.10	20000	13.50	20000	100%	50%	100%	59%
36	AMTK15MAY145.00CE	5.10	20000	8.00	20000	100%	100%	100%	100%

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 Noticee 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
37	AMTK15MAY150.00CE	2.10	20000	4.00	20000	100%	50%	100%	59%
38	ANBK15APR100.00PEW2	15.50	20000	26.90	20000	100%	50%	100%	50%
39	ANBK15APR60.00CEW2	13.90	20000	20.80	20000	100%	9%	100%	1%
40	ANBK15APR90.00PEW1	6.15	24000	13.45	24000	100%	50%	100%	50%
41	ANBK15MAR100.00PEW2	11.40	20000	17.50	20000	100%	100%	100%	100%
42	APLT15APR140.00CEW2	26.50	20000	16.50	20000	100%	6%	100%	4%
43	APLT15APR145.00CEW1	21.50	28000	12.50	28000	100%	50%	100%	58%
44	APLT15APR150.00CEW3	16.50	26000	8.50	26000	100%	33%	100%	46%
45	APLT15APR180.00PEW2	20.00	20000	11.50	20000	100%	33%	100%	29%
46	APLT15AUG180.00PEW1	0.20	100000	1.40	100000	100%	100%	100%	100%
47	APLT15JUL180.00PE	0.25	130000	1.80	130000	100%	40%	100%	52%
48	APLT15JUN190.00PE	18.50	10000	22.00	10000	100%	100%	100%	100%
49	APLT15MAY160.00CE	24.00	16000	28.25	16000	100%	50%	100%	40%
50	APLT15MAY165.00CE	18.00	14000	22.50	14000	100%	100%	100%	100%
51	APLT15MAY170.00CE	11.50	12000	14.00	12000	100%	50%	100%	43%
52	APLT15MAY195.00PE	10.50	20000	14.50	20000	100%	100%	100%	100%
53	APLT15MAY205.00PE	21.00	16000	24.50	16000	100%	50%	100%	50%
54	APLT15MAY210.00PE	27.50	10000	32.50	10000	100%	100%	100%	100%
55	ARVI15APR240.00CEW2	22.50	20000	33.00	20000	100%	20%	100%	8%
56	ARVI15APR250.00CEW2	13.50	20000	20.50	20000	100%	50%	100%	43%
57	ARVI15APR280.00PEW3	7.50	15000	18.00	15000	100%	50%	100%	35%
58	ARVI15APR320.00PEW2	22.10	20000	30.20	20000	100%	100%	100%	100%
59	ARVI15MAR250.00CE	14.50	20000	19.50	20000	100%	25%	100%	13%
60	ARVI15MAY240.00CE	4.30	20000	6.30	20000	100%	33%	100%	38%
61	ARVI15MAY250.00CE	13.50	14000	16.90	14000	100%	25%	100%	23%
62	ARVI15MAY260.00CE	7.50	14000	11.90	14000	100%	50%	100%	54%
63	ASPL15AUG740.00PE	3.05	32000	12.00	32000	100%	50%	100%	56%
64	ASPL15JUL740.00PE	1.05	39000	4.00	39000	100%	100%	100%	100%
65	AUPL15AUG700.00PE	1.15	32000	5.00	32000	100%	25%	100%	24%
66	AUPL15OCT740.00PE	16.25	32000	27.00	32000	100%	100%	100%	100%
67	AUPL15SEP700.00PEW1	1.25	34000	5.25	34000	100%	100%	100%	100%
68	AUPL15SEP820.00CE	10.25	23000	18.00	23000	100%	100%	100%	100%
69	AXIS15JUL500.00PE	4.00	20000	2.15	20000	100%	8%	100%	6%
70	AXIS15SEP500.00PE	3.25	23000	8.00	23000	100%	25%	100%	18%
71	BAJT15AUG2130.00PE	2.45	16000	12.00	16000	100%	25%	100%	26%
72	BAJT15JUL2500.00CE	72.25	12000	93.00	12000	100%	100%	100%	100%
73	BAJT15SEP2700.00CE	27.25	14000	54.00	14000	100%	100%	100%	100%

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74	BATA15AUG1080.00PE	3.25	28000	12.75	28000	100%	25%	100%	29%
75	BATA15SEP1050.00PE	7.25	28000	16.00	28000	100%	33%	100%	39%
76	BATA15SEP1170.00PE	22.25	20000	39.00	20000	100%	100%	100%	100%
77	BATA15SEP1260.00CE	24.25	23000	40.00	23000	100%	50%	100%	53%
78	BHEL15APR250.00CEW2	6.20	20000	15.90	20000	100%	100%	100%	100%
79	BHEL15APR250.00CEW3	6.70	25000	18.10	25000	100%	100%	100%	100%
80	BHEL15APR280.00PEW1	15.90	40000	23.90	40000	100%	67%	100%	40%
81	BHEL15MAR240.00CE	19.10	20000	29.50	20000	100%	100%	100%	100%
82	BHEL15MAR240.00CEW2	11.10	15000	19.50	15000	100%	12%	100%	3%
83	BHEL15MAR270.00PEW2	10.00	15000	16.90	15000	100%	29%	100%	4%
84	BHFL15AUG1110.00PE	1.05	20000	6.00	20000	100%	50%	100%	50%
85	BHFL15OCT1080.00PE	10.25	21000	21.00	21000	100%	100%	100%	100%
86	BHRT15APR360.00CEW1	27.30	20000	36.90	20000	100%	50%	100%	53%
87	BHRT15APR400.00PEW2	10.50	20000	18.50	20000	100%	100%	100%	100%
88	BIOC15AUG430.00PE	1.05	36000	4.00	36000	100%	33%	100%	28%
89	BIOC15MAR410.00CEW2	16.50	15000	25.50	15000	100%	13%	100%	2%
90	BIOC15SEP430.00PE	1.65	44000	5.00	44000	100%	20%	100%	19%
91	BIOC15SEP440.00PE	2.25	41000	6.90	41000	100%	100%	100%	100%
92	BIOC15SEP470.00CEW1	10.25	45000	17.00	45000	100%	100%	100%	100%
93	BIOC15SEP510.00CE	3.25	42000	9.90	42000	100%	50%	100%	47%
94	BPCL15AUG840.00PEW1	3.25	15000	6.00	15000	100%	100%	100%	100%
95	BPCL15AUG880.00PE	3.21	48000	10.09	48000	100%	50%	100%	42%
96	BPCL15AUG920.00CEW1	16.25	16000	29.00	16000	100%	100%	100%	100%
97	BPCL15SEP820.00PE	2.68	42000	8.36	42000	100%	50%	100%	39%
98	BPCL15SEP860.00PE	9.68	73000	19.10	73000	100%	50%	100%	41%
99	BPCL15SEP940.00CE	25.05	15000	44.00	15000	100%	50%	100%	42%
100	BPCL15SEP980.00CE	14.25	16000	29.00	16000	100%	50%	100%	35%
101	CARN15APR195.00CEW3	13.10	20000	20.90	20000	100%	100%	100%	100%
102	CARN15APR200.00CEW1	19.50	28000	28.90	28000	100%	9%	100%	4%
103	CARN15APR230.00PEW2	10.10	24000	19.50	24000	100%	100%	100%	100%
104	CARN15APR235.00PEW4	13.50	25000	22.20	25000	100%	100%	100%	100%
105	CARN15APR240.00PEW2	9.90	25000	18.50	25000	100%	20%	100%	22%
106	CARN15APR245.00PEW1	16.90	20000	25.70	20000	100%	100%	100%	100%
107	CARN15MAR220.00CEW2	12.50	10000	24.50	10000	100%	15%	100%	4%
108	CARN15MAR250.00PEW2	10.10	15000	20.50	15000	100%	100%	100%	100%
109	CARN15MAY175.00CE	22.50	16000	26.50	16000	100%	100%	100%	100%
110	CARN15MAY220.00PE	22.00	16000	26.50	16000	100%	100%	100%	100%

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111	CAST15OCT480.00PE	6.25	36000	14.00	36000	100%	100%	100%	100%
112	CAST15SEP450.00PE	1.25	38000	4.90	38000	100%	100%	100%	100%
113	CEAT15AUG580.00PE	2.75	46000	7.85	46000	100%	33%	100%	41%
114	CEAT15JUL600.00PE	1.25	45000	5.00	45000	100%	50%	100%	56%
115	CEAT15SEP540.00PE	2.35	25000	9.00	25000	100%	100%	100%	100%
116	CEAT15SEP860.00CE	14.65	18000	32.00	18000	100%	100%	100%	100%
117	CEAT15SEP920.00PEW1	18.25	23000	36.00	23000	100%	100%	100%	100%
118	CEAT15SEP960.00PE	41.25	20000	63.00	20000	100%	50%	100%	43%
119	CENT15APR560.00CEW1	24.10	18000	32.90	18000	100%	11%	100%	8%
120	CENT15APR600.00PEW2	14.70	20000	25.90	20000	100%	100%	100%	100%
121	CENT15AUG700.00CE	26.25	25000	38.00	25000	100%	100%	100%	100%
122	CENT15AUG700.00PE	10.25	32000	20.00	32000	100%	100%	100%	100%
123	CENT15MAR500.00CEW2	33.70	15000	42.00	15000	100%	29%	100%	49%
124	CENT15MAR520.00CEW2	6.10	15000	14.90	15000	100%	100%	100%	100%
125	CENT15OCT680.00PE	27.25	30000	44.00	30000	100%	100%	100%	100%
126	CENT15SEP620.00PE	1.00	50000	7.00	50000	100%	25%	100%	43%
127	CENT15SEP640.00PE	3.17	92000	11.43	92000	100%	50%	100%	51%
128	CENT15SEP680.00PE	21.25	31000	34.00	31000	100%	100%	100%	100%
129	CESC15SEP520.00PE	2.73	85000	8.49	85000	100%	29%	100%	33%
130	CESC15SEP620.00CE	4.25	48000	12.65	48000	100%	17%	100%	21%
131	CESC15SEP660.00CE	1.05	41000	6.45	41000	100%	50%	100%	45%
132	CIPL15AUG660.00PEW3	4.00	36000	2.15	36000	100%	100%	100%	100%
133	CIPL15AUG700.00PE	3.25	29000	9.85	29000	100%	50%	100%	51%
134	CIPL15OCT680.00PE	7.25	31000	14.70	31000	100%	20%	100%	21%
135	CIPL15SEP620.00PE	4.25	39000	19.00	39000	100%	20%	100%	19%
136	CIPL15SEP640.00PE	6.50	35000	2.25	35000	100%	50%	100%	47%
137	CIPL15SEP680.00CE	15.25	24000	29.00	24000	100%	33%	100%	23%
138	CIPL15SEP720.00CE	8.25	22000	18.00	22000	100%	33%	100%	24%
139	COAL15APR330.00CEW2	25.00	30000	14.20	30000	100%	100%	100%	100%
140	COAL15APR350.00CEW1	8.50	20000	20.20	20000	100%	20%	100%	19%
141	COAL15APR350.00CEW3	18.90	20000	9.10	20000	100%	50%	100%	42%
142	COAL15APR380.00PEW2	9.90	25000	24.50	25000	100%	50%	100%	47%
143	COAL15AUG470.00CE	1.05	63000	3.10	63000	100%	100%	100%	100%
144	COAL15SEP480.00CE	2.55	61000	6.85	61000	100%	100%	100%	100%
145	CRGL15APR150.00CEW1	17.44	40000	25.75	40000	100%	33%	100%	17%
146	CRGL15APR150.00CEW2	10.50	15000	19.50	15000	100%	12%	100%	4%
147	CRGL15APR180.00PEW1	12.50	20000	19.50	20000	100%	100%	100%	100%

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148	CRGL15APR185.00PEW1	9.90	18000	18.10	18000	100%	25%	100%	7%
149	CRGL15APR190.00PEW2	13.90	20000	22.60	20000	100%	33%	100%	27%
150	CRGL15APR190.00PEW3	18.50	25000	29.50	25000	100%	50%	100%	56%
151	CRGL15AUG165.00CE	16.30	26000	20.40	26000	100%	100%	100%	100%
152	CRGL15AUG200.00PE	15.30	26000	19.30	26000	100%	100%	100%	100%
153	CRGL15MAR150.00CE	13.90	10000	19.90	10000	100%	100%	100%	100%
154	CRGL15MAY145.00CE	25.00	16000	29.50	16000	100%	25%	100%	16%
155	CRGL15MAY180.00PE	11.00	10000	14.50	10000	100%	100%	100%	100%
156	CRGL15MAY185.00PE	15.50	16000	18.50	16000	100%	100%	100%	100%
157	CRGL15MAY195.00PE	25.00	15000	29.50	15000	100%	50%	100%	60%
158	DABU15AUG280.00PE	0.40	72000	1.70	72000	100%	100%	100%	100%
159	DABU15JUL230.00PE	0.65	72000	2.50	72000	100%	50%	100%	59%
160	DABU15MAR260.00CEW2	11.50	25000	19.90	25000	100%	50%	100%	63%
161	DABU15MAR300.00PEW2	16.20	18000	26.50	18000	100%	50%	100%	55%
162	DABU15SEP270.00PE	0.75	76000	3.20	76000	100%	33%	100%	32%
163	DABU15SEP330.00CE	1.05	77000	3.00	77000	100%	100%	100%	100%
164	DISH15AUG100.00CE	17.70	20000	15.25	20000	100%	100%	100%	100%
165	DISH15AUG105.00CE	10.70	12000	6.90	12000	100%	50%	100%	38%
166	DISH15AUG110.00CE	8.40	20000	6.20	20000	100%	33%	100%	28%
167	DISH15AUG125.00PE	11.70	20000	9.50	20000	100%	50%	100%	50%
168	DISH15AUG130.00PE	16.50	12000	12.80	12000	100%	100%	100%	100%
169	DISH15AUG135.00PE	21.50	12000	17.90	12000	100%	100%	100%	100%
170	DISH15JUL100.00CE	18.50	16000	22.90	16000	100%	25%	100%	13%
171	DISH15MAR100.00PEW2	15.50	20000	24.10	20000	100%	13%	100%	5%
172	DISH15MAR75.00CEW2	5.10	20000	10.10	20000	100%	50%	100%	33%
173	DIVI15SEP2010.00CE	11.25	18000	45.00	18000	100%	100%	100%	100%
174	DLFL15APR150.00CEW1	10.50	20000	15.45	20000	100%	33%	100%	16%
175	DLFL15FEB125.00CE	13.10	128000	23.56	128000	100%	100%	100%	100%
176	DRRL15AUG3450.00PE	12.25	9000	27.00	9000	100%	100%	100%	100%
177	DRRL15SEP4000.00CE	36.25	10000	89.00	10000	100%	100%	100%	100%
178	EXID15APR160.00CEW2	16.90	26000	25.90	26000	100%	11%	100%	5%
179	EXID15APR200.00PEW1	12.90	24000	23.50	24000	100%	25%	100%	8%
180	EXID15AUG120.00CE	27.55	12000	23.90	12000	100%	29%	100%	43%
181	EXID15AUG155.00PE	10.55	12000	6.90	12000	100%	100%	100%	100%
182	EXID15AUG170.00PE	23.70	12000	20.00	12000	100%	100%	100%	100%
183	EXID15JUN125.00CE	23.10	12000	25.90	12000	100%	50%	100%	33%
184	EXID15JUN140.00CE	15.80	20000	19.80	20000	100%	100%	100%	100%

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185	EXID15JUN145.00CE	10.50	16000	13.50	16000	100%	100%	100%	100%
186	EXID15JUN160.00PE	11.15	12000	15.10	12000	100%	100%	100%	100%
187	EXID15JUN175.00PE	20.50	10000	21.55	10000	100%	100%	100%	100%
188	EXID15JUN180.00PE	20.50	16000	24.50	16000	100%	100%	100%	100%
189	EXID15MAR160.00CEW2	11.50	20000	19.50	20000	100%	40%	100%	15%
190	EXID15MAR170.00CEW2	5.10	20000	10.20	20000	100%	100%	100%	100%
191	EXID15MAR190.00PEW2	9.50	20000	16.90	20000	100%	100%	100%	100%
192	EXID15MAR200.00PEW2	18.90	20000	28.50	20000	100%	100%	100%	100%
193	FEDB15AUG55.00CE	8.00	28000	14.30	28000	100%	50%	100%	23%
194	FEDB15JUN115.00CE	19.00	20000	21.55	20000	100%	17%	100%	13%
195	FEDB15JUN120.00CE	13.50	20000	16.70	20000	100%	25%	100%	19%
196	FEDB15JUN125.00CE	12.10	40000	15.85	40000	100%	40%	100%	34%
197	FEDB15JUN130.00CE	10.20	20000	15.30	20000	100%	50%	100%	59%
198	FEDB15JUN155.00PE	16.19	44000	20.04	44000	100%	40%	100%	36%
199	FEDB15JUN160.00PE	20.10	20000	25.10	20000	100%	20%	100%	18%
200	FEDB15MAR120.00CEW2	17.50	20000	26.50	20000	100%	13%	100%	3%
201	FEDB15MAR160.00PEW2	16.50	10000	23.50	10000	100%	100%	100%	100%
202	FEDB15MAR170.00PEW2	26.50	10000	34.50	10000	100%	100%	100%	100%
203	FEDB15MAY115.00CE	20.50	24000	23.50	24000	100%	25%	100%	31%
204	FEDB15MAY125.00CE	10.80	12000	13.00	12000	100%	100%	100%	100%
205	FEDB15MAY130.00CE	6.10	16000	9.50	16000	100%	25%	100%	6%
206	FEDB15MAY155.00PE	13.50	18000	18.00	18000	100%	25%	100%	27%
207	GRSM15SEP2900.00PE	12.25	10000	32.00	10000	100%	100%	100%	100%
208	HCLT15AUG980.00CE	3.25	24000	11.00	24000	100%	50%	100%	44%
209	HCLT15SEP1000.00CE	11.25	22000	18.00	22000	100%	100%	100%	100%
210	HDBK15AUG1060.00PE	2.05	40000	13.40	40000	100%	50%	100%	62%
211	HDBK15JUL1080.00PE	1.70	10000	9.00	10000	100%	100%	100%	100%
212	HDBK15SEP1050.00PE	4.00	30000	16.00	30000	100%	20%	100%	22%
213	HDBK15SEP1080.00PE	8.00	40000	19.00	40000	100%	33%	100%	38%
214	HDFC15AUG1170.00PE	3.25	16000	11.00	16000	100%	25%	100%	22%
215	HDFC15AUG1170.00PEW3	1.25	33000	7.00	33000	100%	100%	100%	100%
216	HDFC15AUG1230.00PE	5.15	20000	12.00	20000	100%	25%	100%	22%
217	HDFC15AUG1260.00PE	1.05	35000	8.50	35000	100%	20%	100%	25%
218	HDFC15AUG1290.00PE	17.25	25000	28.00	25000	100%	33%	100%	37%
219	HDFC15JUL1290.00PE	5.30	22000	15.00	22000	100%	100%	100%	100%
220	HDFC15SEP1140.00PE	0.70	35000	11.50	35000	100%	100%	100%	100%
221	HDFC15SEP1200.00PE	9.00	18000	17.00	18000	100%	25%	100%	23%

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222	HDFC15SEP1230.00PE	2.07	67000	11.44	67000	100%	33%	100%	38%
223	HDFC15SEP1260.00PE	14.25	18000	27.50	18000	100%	25%	100%	21%
224	HDFC15SEP1290.00PE	26.25	12000	45.00	12000	100%	33%	100%	18%
225	HDFC15SEP1410.00CE	22.35	14000	39.00	14000	100%	20%	100%	11%
226	HDIL15APR90.00CEW2	10.50	4000	13.20	4000	100%	100%	100%	100%
227	HDIL15JUN120.00PE	8.60	18000	13.10	18000	100%	100%	100%	100%
228	HDIL15JUN125.00PE	12.50	20000	17.20	20000	100%	50%	100%	56%
229	HDIL15MAR100.00CEW2	9.10	20000	15.50	20000	100%	20%	100%	14%
230	HDIL15MAR120.00PEW2	6.10	20000	12.10	20000	100%	25%	100%	7%
231	HDIL15MAR85.00CEW2	25.50	20000	34.50	20000	100%	20%	100%	9%
232	HDIL15MAY100.00CE	6.13	46000	7.49	46000	100%	43%	100%	18%
233	HDIL15MAY105.00CE	4.00	12000	6.00	12000	100%	50%	100%	7%
234	HDIL15MAY115.00PE	8.10	12000	10.90	12000	100%	100%	100%	100%
235	HDIL15MAY120.00PE	10.50	50000	13.86	50000	100%	60%	100%	71%
236	HDIL15MAY125.00PE	17.29	38000	20.76	38000	100%	60%	100%	61%
237	HNDL15AUG100.00CE	10.05	20000	7.90	20000	100%	100%	100%	100%
238	HNDL15AUG120.00PE	14.70	20000	12.50	20000	100%	50%	100%	67%
239	HNDL15AUG95.00CE	12.00	20000	11.00	20000	100%	25%	100%	33%
240	HNDL15JUL120.00PE	9.50	16000	15.00	16000	100%	100%	100%	100%
241	HNDL15JUL95.00CE	9.20	16000	14.50	16000	100%	100%	100%	100%
242	HNDL15MAY125.00CE	11.10	14000	15.90	14000	100%	33%	100%	8%
243	HNDL15MAY130.00CE	7.10	14000	10.90	14000	100%	25%	100%	9%
244	HNDL15MAY150.00PE	10.70	14000	14.20	14000	100%	50%	100%	47%
245	HNZL15MAY160.00CE	13.90	14000	18.50	14000	100%	100%	100%	100%
246	HULL15AUG980.00CE	5.25	42000	14.00	42000	100%	100%	100%	100%
247	HULL15JUL900.00PE	2.05	38000	7.30	38000	100%	50%	100%	51%
248	HULL15SEP880.00PE	2.25	45000	11.00	45000	100%	25%	100%	33%
249	IBRL15APR100.00PEW1	16.90	12000	26.90	12000	100%	100%	100%	100%
250	IBRL15APR55.00CEW1	13.50	20000	20.90	20000	100%	15%	100%	5%
251	IBRL15APR60.00CEW2	9.90	24000	18.50	24000	100%	50%	100%	55%
252	IBRL15APR80.00PEW2	8.10	12000	12.15	12000	100%	50%	100%	33%
253	IBRL15APR90.00PEW1	11.10	24000	21.30	24000	100%	50%	100%	55%
254	ICIC15APR310.00CEW2	16.90	20000	27.90	20000	100%	100%	100%	100%
255	ICIC15APR320.00CEW1	22.90	15000	16.10	15000	100%	13%	100%	4%
256	ICIC15APR350.00PEW3	9.30	20000	22.20	20000	100%	100%	100%	100%
257	ICIC15SEP290.00PE	1.15	95000	4.75	95000	100%	25%	100%	37%
258	ICIC15SEP360.00CE	1.05	92000	3.85	92000	100%	50%	100%	65%

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259	IDBI15APR55.00CEW2	16.50	24000	24.90	24000	100%	40%	100%	6%
260	IDBI15APR60.00CEW1	9.95	20000	20.10	20000	100%	100%	100%	100%
261	IDBI15APR90.00PEW1	10.90	24000	18.20	24000	100%	25%	100%	8%
262	IDBI15MAR100.00PEW2	15.50	20000	23.50	20000	100%	100%	100%	100%
263	IDBI15MAR65.00CEW2	7.10	20000	11.90	20000	100%	100%	100%	100%
264	IDBI15MAR90.00PEW2	9.20	20000	16.50	20000	100%	100%	100%	100%
265	IDEA15AUG160.00CE	6.71	56000	12.43	56000	100%	33%	100%	18%
266	IDEA15JUN155.00CE	12.10	16000	15.50	16000	100%	100%	100%	100%
267	IDEA15JUN160.00CE	8.50	20000	12.00	20000	100%	50%	100%	36%
268	IDEA15JUN180.00PE	13.50	16000	17.50	16000	100%	50%	100%	38%
269	IDEA15JUN185.00PE	17.00	16000	21.10	16000	100%	100%	100%	100%
270	IDEA15JUN190.00PE	19.50	16000	22.00	16000	100%	100%	100%	100%
271	IDEA15MAY130.00CE	38.00	14000	44.50	14000	100%	50%	100%	47%
272	IDEA15MAY135.00CE	29.50	14000	33.00	14000	100%	50%	100%	47%
273	IDEA15MAY160.00CE	12.90	14000	18.50	14000	100%	14%	100%	10%
274	IDEA15MAY165.00CE	11.10	14000	15.50	14000	100%	33%	100%	30%
275	IDEA15MAY190.00PE	15.30	28000	18.25	28000	100%	25%	100%	25%
276	IDEA15MAY195.00PE	22.50	16000	26.50	16000	100%	50%	100%	57%
277	IDEA15MAY200.00PE	21.50	14000	25.90	14000	100%	33%	100%	37%
278	IDEA15MAY210.00PE	31.50	14000	34.90	14000	100%	100%	100%	100%
279	IDFC15AUG140.00CE	12.10	20000	18.90	20000	100%	50%	100%	31%
280	IDFC15AUG145.00CE	7.50	20000	5.25	20000	100%	50%	100%	77%
281	IDFC15AUG165.00PE	6.50	18000	13.90	18000	100%	50%	100%	47%
282	IDFC15AUG170.00PE	16.10	20000	20.30	20000	100%	100%	100%	100%
283	IDFC15JUN135.00CE	16.90	28000	21.21	28000	100%	100%	100%	100%
284	IDFC15JUN140.00CE	12.50	14000	15.00	14000	100%	50%	100%	26%
285	IDFC15JUN145.00CE	11.00	16000	13.50	16000	100%	100%	100%	100%
286	IDFC15JUN165.00PE	9.10	16000	11.80	16000	100%	33%	100%	26%
287	IDFC15JUN170.00PE	16.50	16000	19.50	16000	100%	100%	100%	100%
288	IDFC15JUN180.00PE	25.50	20000	29.50	20000	100%	100%	100%	100%
289	IDFC15MAY135.00CE	20.50	24000	22.50	24000	100%	100%	100%	100%
290	INCM15APR110.00PEW1	10.10	20000	19.20	20000	100%	33%	100%	33%
291	INCM15AUG65.00CE	27.50	20000	25.25	20000	100%	100%	100%	100%
292	INCM15AUG75.00CE	18.35	20000	16.10	20000	100%	50%	100%	10%
293	INCM15SEP80.00PE	0.40	136000	1.30	136000	100%	40%	100%	56%
294	INCM15SEP85.00PEW1	0.35	144000	1.75	144000	100%	100%	100%	100%
295	INFY15JUL940.00PE	4.25	42000	10.00	42000	100%	100%	100%	100%

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296	INGL15AUG410.00PE	4.65	90000	2.15	90000	100%	100%	100%	100%
297	INGL15AUG460.00PE	1.15	45000	5.00	45000	100%	100%	100%	100%
298	INGL15AUG490.00CEW3	3.25	76000	9.75	76000	100%	100%	100%	100%
299	INGL15JUL440.00PE	0.55	89000	3.00	89000	100%	100%	100%	100%
300	INGL15OCT470.00PE	11.25	44000	19.00	44000	100%	100%	100%	100%
301	INGL15SEP430.00PE	6.35	81000	12.95	81000	100%	100%	100%	100%
302	IOBL15APR36.00CEW1	5.10	24000	11.00	24000	100%	100%	100%	100%
303	IOBL15APR56.00PEW2	8.20	24000	12.30	24000	100%	100%	100%	100%
304	IRBI15APR230.00CEW2	24.90	25000	16.95	25000	100%	100%	100%	100%
305	IRBI15APR260.00PEW4	18.45	20000	8.50	20000	100%	100%	100%	100%
306	ITCL15JUL330.00CE	1.05	80000	3.25	80000	100%	50%	100%	60%
307	ITCL15JUL340.00CE	3.00	30000	1.50	30000	100%	100%	100%	100%
308	JSPL15MAY120.00CE	15.10	18000	19.00	18000	100%	100%	100%	100%
309	JSPL15MAY130.00CE	7.50	15000	10.50	15000	100%	50%	100%	43%
310	JSPL15MAY150.00PE	11.50	18000	15.50	18000	100%	100%	100%	100%
311	JSPL15MAY160.00PE	16.50	18000	21.00	18000	100%	100%	100%	100%
312	JSPL15MAY170.00PE	28.10	18000	31.50	18000	100%	100%	100%	100%
313	JSWE15AUG65.00CE	16.00	16000	13.20	16000	100%	50%	100%	44%
314	JSWE15MAY120.00PE	7.00	10000	11.50	10000	100%	100%	100%	100%
315	JSWE15MAY135.00PE	20.76	46000	25.97	46000	100%	40%	100%	49%
316	JSWE15MAY85.00CE	22.50	14000	28.10	14000	100%	100%	100%	100%
317	JSWE15MAY90.00CE	17.74	34000	21.66	34000	100%	67%	100%	71%
318	JSWE15MAY95.00CE	12.50	16000	16.80	16000	100%	50%	100%	44%
319	JUST15AUG990.00PE	2.25	24000	9.00	24000	100%	100%	100%	100%
320	JUST15AUG990.00PEW3	1.25	32000	7.00	32000	100%	100%	100%	100%
321	JUST15SEP1020.00PE	5.25	36000	13.95	36000	100%	33%	100%	42%
322	JUST15SEP1050.00PE	18.25	26000	33.00	26000	100%	100%	100%	100%
323	JUST15SEP1080.00PE	2.65	28000	11.75	28000	100%	50%	100%	58%
324	JUST15SEP990.00PE	4.25	16000	12.00	16000	100%	100%	100%	100%
325	KARB15AUG120.00CE	21.70	20000	19.50	20000	100%	100%	100%	100%
326	KARB15AUG130.00CE	13.25	20000	11.00	20000	100%	50%	100%	50%
327	KARB15JUN105.00CE	27.71	42000	27.61	42000	100%	50%	100%	48%
328	KARB15JUN110.00CE	25.20	20000	29.90	20000	100%	20%	100%	15%
329	KARB15JUN115.00CE	11.50	28000	15.25	28000	100%	20%	100%	22%
330	KARB15JUN130.00CE	10.25	20000	15.50	20000	100%	100%	100%	100%
331	KARB15JUN140.00PE	11.00	26000	9.50	26000	100%	100%	100%	100%
332	KARB15JUN155.00PE	13.50	20000	17.50	20000	100%	14%	100%	12%

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333	KARB15MAR120.00CEW2	6.90	16000	13.50	16000	100%	50%	100%	47%
334	KARB15MAR150.00PEW2	18.50	16000	26.90	16000	100%	25%	100%	24%
335	KARB15MAY100.00CE	20.97	34000	27.24	34000	100%	50%	100%	49%
336	KARB15MAY110.00CE	13.50	20000	17.00	20000	100%	50%	100%	59%
337	KARB15MAY115.00CE	8.50	36000	12.22	36000	100%	50%	100%	51%
338	KARB15MAY145.00PE	16.91	32000	22.06	32000	100%	67%	100%	62%
339	KARB15MAY155.00PE	24.50	12000	29.10	12000	100%	33%	100%	27%
340	LICH15MAR460.00CEW2	15.50	15000	24.50	15000	100%	50%	100%	50%
341	LICH15MAR490.00PEW2	6.90	15000	15.50	15000	100%	100%	100%	100%
342	LICH15MAR500.00PEW2	16.50	15000	25.50	15000	100%	100%	100%	100%
343	LICH15OCT480.00PE	15.00	37000	10.75	37000	100%	100%	100%	100%
344	LICH15SEP440.00PE	5.40	40000	2.30	40000	100%	100%	100%	100%
345	LICH15SEP540.00CE	6.25	38000	14.00	38000	100%	100%	100%	100%
346	LNTF15APR45.00CEW1	18.00	24000	24.10	24000	100%	20%	100%	5%
347	LNTL15AUG1710.00PE	8.13	34000	16.86	34000	100%	67%	100%	65%
348	LNTL15AUG1710.00PEW3	6.35	29000	12.00	29000	100%	100%	100%	100%
349	LNTL15SEP1620.00PE	6.55	27000	14.45	27000	100%	25%	100%	35%
350	LNTL15SEP1680.00PE	10.75	17000	19.50	17000	100%	50%	100%	41%
351	LNTL15SEP1740.00PE	14.25	15000	32.00	15000	100%	100%	100%	100%
352	LNTL15SEP1950.00CE	6.25	18000	16.00	18000	100%	100%	100%	100%
353	MCRS15APR220.00CE	25.50	30000	16.90	30000	100%	100%	100%	100%
354	MCRS15APR220.00CEW2	27.50	25000	17.50	25000	100%	100%	100%	100%
355	MCRS15APR225.00CEW1	20.50	10000	15.50	10000	100%	100%	100%	100%
356	MCRS15APR225.00CEW3	22.00	25000	12.50	25000	100%	33%	100%	34%
357	MCRS15APR265.00PEW3	23.50	20000	15.50	20000	100%	100%	100%	100%
358	MIND15AUG1140.00PE	4.25	26000	12.75	26000	100%	50%	100%	57%
359	MIND15JUL1170.00PEW4	2.15	27000	7.75	27000	100%	100%	100%	100%
360	MIND15JUL1200.00PE	8.25	29000	17.00	29000	100%	25%	100%	41%
361	MIND15SEP1110.00PE	8.25	16000	21.00	16000	100%	33%	100%	27%
362	MIND15SEP1440.00CE	6.65	29000	19.00	29000	100%	100%	100%	100%
363	MNML15SEP1320.00PE	28.25	40000	49.50	40000	100%	100%	100%	100%
364	MNML15SEP1350.00PEW1	31.25	16000	49.00	16000	100%	100%	100%	100%
365	MNML15SEP1410.00CE	14.25	21000	29.00	21000	100%	25%	100%	20%
366	NMDC15AUG110.00PE	9.35	20000	8.15	20000	100%	50%	100%	50%
367	NMDC15AUG115.00PE	13.50	16000	10.60	16000	100%	50%	100%	57%
368	NMDC15AUG90.00CE	12.80	20000	10.60	20000	100%	50%	100%	50%
369	NMDC15JUL105.00CE	7.40	20000	12.50	20000	100%	100%	100%	100%

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370	NMDC15JUL125.00PE	7.20	20000	11.95	20000	100%	100%	100%	100%
371	NMDC15JUN110.00CE	16.90	20000	20.35	20000	100%	100%	100%	100%
372	NMDC15JUN120.00CE	9.00	20000	14.50	20000	100%	100%	100%	100%
373	NMDC15JUN140.00PE	8.50	18000	11.00	18000	100%	50%	100%	47%
374	NMDC15JUN150.00PE	16.90	20000	20.90	20000	100%	100%	100%	100%
375	NMDC15MAY105.00CE	24.50	12000	26.90	12000	100%	25%	100%	18%
376	NMDC15MAY115.00CE	12.50	24000	17.00	24000	100%	33%	100%	40%
377	NMDC15MAY120.00CE	9.50	16000	13.10	16000	100%	50%	100%	62%
378	NMDC15MAY160.00PE	27.10	12000	35.50	12000	100%	50%	100%	55%
379	NTPC15MAR135.00CEW2	15.50	18000	22.90	18000	100%	50%	100%	47%
380	NTPC15MAR165.00PEW2	9.50	10000	14.50	10000	100%	22%	100%	56%
381	NTPC15MAR170.00PEW2	11.10	18000	19.50	18000	100%	33%	100%	41%
382	OBNK15APR220.00CEW1	11.90	17000	21.50	17000	100%	50%	100%	25%
383	OBNK15APR230.00CEW2	5.50	20000	13.30	20000	100%	100%	100%	100%
384	OBNK15APR250.00PEW3	8.50	15000	17.70	15000	100%	50%	100%	38%
385	ONGC15APR290.00CEW1	21.50	25000	32.50	25000	100%	20%	100%	23%
386	ONGC15APR330.00PEW3	8.90	20000	22.90	20000	100%	50%	100%	50%
387	ONGC15AUG250.00PE	3.50	95000	1.05	95000	100%	100%	100%	100%
388	ONGC15MAY310.00CE	9.50	15000	13.50	15000	100%	100%	100%	100%
389	ONGC15SEP240.00PE	1.05	91000	3.00	91000	100%	100%	100%	100%
390	ONGC15SEP310.00CE	1.25	90000	4.00	90000	100%	100%	100%	100%
391	PGCL15APR135.00CEW2	8.20	28000	17.90	28000	100%	100%	100%	100%
392	PGCL15APR165.00PEW2	10.15	20000	21.90	20000	100%	50%	100%	43%
393	PGCL15JUN120.00CE	20.13	44000	24.36	44000	100%	100%	100%	100%
394	PGCL15JUN125.00CE	16.78	38000	21.35	38000	100%	100%	100%	100%
395	PGCL15JUN130.00CE	14.90	20000	20.20	20000	100%	100%	100%	100%
396	PGCL15JUN135.00CE	9.50	24000	14.50	24000	100%	100%	100%	100%
397	PGCL15JUN160.00PE	12.10	24000	15.50	24000	100%	100%	100%	100%
398	PGCL15JUN165.00PE	18.30	32000	20.62	40000	40%	22%	44%	29%
399	PGCL15JUN165.00PEW2	17.50	16000	17.28	16000	100%	100%	100%	100%
400	PGCL15MAR130.00CE	11.10	28000	17.50	28000	100%	100%	100%	100%
401	PGCL15MAR130.00CEW2	18.50	16000	27.50	16000	100%	100%	100%	100%
402	PGCL15MAR165.00PEW2	10.50	10000	17.50	10000	100%	100%	100%	100%
403	PGCL15MAR170.00PEW2	12.10	18000	20.50	18000	100%	100%	100%	100%
404	PGCL15MAY120.00CE	20.33	26000	24.10	26000	100%	100%	100%	100%
405	PGCL15MAY125.00CE	15.44	26000	19.10	26000	100%	29%	100%	17%
406	PGCL15MAY130.00CE	8.90	14000	13.50	14000	100%	50%	100%	30%

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407	PGCL15MAY165.00PE	20.58	26000	24.88	26000	100%	67%	100%	59%
408	PGCL15MAY170.00PE	26.66	26000	30.63	26000	100%	100%	100%	100%
409	PLNG15JUN195.00PE	16.85	22000	19.80	22000	100%	100%	100%	100%
410	PLNG15MAY170.00CE	10.50	20000	14.50	20000	100%	100%	100%	100%
411	PLNG15MAY175.00CE	9.00	12000	13.50	12000	100%	100%	100%	100%
412	PNBK15APR150.00CEW2	9.50	25000	16.50	25000	100%	33%	100%	29%
413	PNBK15APR175.00PEW1	8.90	17500	16.50	17500	100%	33%	100%	18%
414	PNBK15APR180.00PEW1	11.90	15000	22.10	15000	100%	20%	100%	10%
415	PNBK15MAR145.00CEW2	12.10	15000	18.90	15000	100%	50%	100%	60%
416	PNBK15MAR175.00PEW2	12.10	15000	18.50	15000	100%	100%	100%	100%
417	PTCI15JUN50.00CE	14.10	36000	16.10	36000	100%	11%	100%	13%
418	PTCI15JUN75.00PE	8.40	40000	9.90	40000	100%	33%	100%	26%
419	RECL15MAY270.00CE	35.50	14000	40.00	14000	100%	100%	100%	100%
420	RECL15MAY280.00CE	30.00	14000	33.50	14000	100%	100%	100%	100%
421	RECL15MAY300.00CE	6.50	20000	11.20	20000	100%	100%	100%	100%
422	RECL15MAY370.00PE	60.00	15000	63.50	15000	100%	100%	100%	100%
423	RELI15AUG880.00PE	3.25	16000	9.00	16000	100%	33%	100%	20%
424	RELI15AUG920.00PE	1.25	36000	7.90	36000	100%	100%	100%	100%
425	RELI15JUL940.00PE	3.25	23000	7.90	23000	100%	50%	100%	34%
426	RELI15SEP870.00PE	2.15	34000	8.00	34000	100%	100%	100%	100%
427	RELI15SEP920.00PE	6.25	15000	15.00	15000	100%	25%	100%	16%
428	SAIL15JUN50.00CE	12.00	44000	13.50	44000	100%	13%	100%	20%
429	SBIL15AUG240.00PE	0.35	70000	2.20	70000	100%	33%	100%	26%
430	SBIL15SEP220.00PE	1.25	56000	4.00	56000	100%	50%	100%	53%
431	SBIL15SEP240.00PE	1.05	99000	3.00	99000	100%	50%	100%	71%
432	SBIL15SEP290.00CE	3.80	72000	1.65	72000	100%	50%	100%	64%
433	SESA15APR170.00CEW1	13.90	28000	21.50	28000	100%	100%	100%	100%
434	SESA15APR175.00CEW2	9.50	25000	16.90	25000	100%	100%	100%	100%
435	SESA15APR200.00PEW3	6.90	30000	15.40	30000	100%	100%	100%	100%
436	SRFL15AUG1230.00PE	3.00	40000	25.00	40000	100%	33%	100%	42%
437	SRFL15AUG1260.00PEW1	7.00	20000	12.00	20000	100%	100%	100%	100%
438	SRFL15JUL1200.00PE	4.25	29000	14.00	29000	100%	33%	100%	54%
439	SRFL15JUL1260.00PE	1.00	45000	9.00	45000	100%	100%	100%	100%
440	SRFL15SEP1110.00PE	12.25	15000	25.00	15000	100%	33%	100%	43%
441	SRFL15SEP1170.00PE	3.25	41000	19.00	41000	100%	33%	100%	44%
442	SRFL15SEP1200.00PE	4.00	42000	27.00	42000	100%	50%	100%	74%
443	STAC15AUG1200.00PE	8.25	19000	19.00	19000	100%	25%	100%	75%

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444	STAC15AUG1290.00CE	22.65	15000	42.00	15000	100%	33%	100%	32%
445	STAC15JUL1050.00PE	1.65	29000	7.95	29000	100%	33%	100%	37%
446	STAC15JUL1260.00CE	6.25	29000	16.00	29000	100%	17%	100%	26%
447	STAC15SEP1110.00PE	3.25	20000	12.00	20000	100%	50%	100%	35%
448	STAC15SEP1440.00CE	3.25	33000	11.75	33000	100%	100%	100%	100%
449	SUNP15AUG860.00PEW3	2.25	44000	6.15	44000	100%	100%	100%	100%
450	SUNP15SEP1000.00CE	18.25	41000	29.00	41000	100%	50%	100%	54%
451	SUNP15SEP860.00PE	5.75	45000	13.60	45000	100%	0%	100%	19%
452	SUNP15SEP880.00CE	34.65	23000	54.00	23000	100%	0%	100%	10%
453	SYND15APR120.00PEW2	14.90	30000	24.95	30000	100%	50%	100%	52%
454	SYND15APR120.00PEW3	12.50	20000	19.50	20000	100%	50%	100%	43%
455	SYND15APR130.00PEW1	12.10	20000	20.90	20000	100%	100%	100%	100%
456	SYND15APR80.00CEW4	24.50	30000	14.00	30000	100%	100%	100%	100%
457	SYND15APR85.00CEW2	17.50	18000	25.50	18000	100%	100%	100%	100%
458	SYND15APR90.00CEW1	12.50	20000	21.50	20000	100%	50%	100%	42%
459	SYND15APR90.00CEW2	12.90	20000	23.40	20000	100%	100%	100%	100%
460	SYND15APR95.00CEW3	10.10	24000	22.10	24000	100%	50%	100%	30%
461	SYND15AUG110.00PE	9.90	20000	7.70	20000	100%	100%	100%	100%
462	SYND15AUG90.00CE	12.20	20000	10.00	20000	100%	100%	100%	100%
463	SYND15MAR100.00CEW3	8.20	20000	14.10	20000	100%	50%	100%	50%
464	SYND15MAR130.00PEW3	11.90	20000	19.90	20000	100%	25%	100%	8%
465	SYND15MAR140.00PEW3	30.00	10000	32.00	10000	100%	100%	100%	100%
466	SYND15MAY100.00CE	6.50	20000	11.00	20000	100%	33%	100%	32%
467	SYND15MAY115.00PE	4.80	16000	7.50	16000	100%	100%	100%	100%
468	SYND15MAY120.00PE	7.50	20000	13.50	20000	100%	100%	100%	100%
469	TAMO15AUG330.00PE	1.05	72000	3.00	72000	100%	100%	100%	100%
470	TAMO15SEP430.00CE	1.25	63000	5.75	63000	100%	100%	100%	100%
471	TATP15APR70.00CEW3	7.10	20000	15.20	20000	100%	100%	100%	100%
472	TCOM15AUG410.00PE	2.00	40000	8.00	40000	100%	100%	100%	100%
473	TCOM15AUG480.00CE	2.00	40000	8.00	40000	100%	100%	100%	100%
474	TCOM15JUL450.00CE	4.65	33000	12.95	33000	100%	33%	100%	28%
475	TCOM15SEP520.00CE	5.25	25000	11.00	25000	100%	100%	100%	100%
476	TECM15JUL600.00CE	0.45	27000	3.00	27000	100%	100%	100%	100%
477	TECM15SEP440.00PE	5.25	36000	15.00	36000	100%	33%	100%	26%
478	TGBL15APR140.00CEW3	12.20	26000	18.90	26000	100%	100%	100%	100%
479	TGBL15APR145.00CEW2	10.50	20000	17.10	20000	100%	100%	100%	100%
480	TGBL15APR170.00PEW1	6.10	20000	12.90	20000	100%	50%	100%	50%

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481	TGBL15AUG110.00CE	32.30	12000	28.70	12000	100%	100%	100%	100%
482	TGBL15AUG125.00CE	18.00	20000	15.80	20000	100%	100%	100%	100%
483	TGBL15AUG135.00CE	9.20	20000	7.00	20000	100%	50%	100%	26%
484	TGBL15AUG155.00PE	16.90	12000	13.30	12000	100%	50%	100%	38%
485	TGBL15AUG165.00PE	23.50	20000	21.30	20000	100%	100%	100%	100%
486	TGBL15JUN115.00CE	11.30	32000	14.50	32000	100%	20%	100%	20%
487	TGBL15JUN145.00PE	16.10	10000	17.60	10000	100%	100%	100%	100%
488	TGBL15MAY140.00CE	7.10	30000	9.80	30000	100%	50%	100%	60%
489	TGBL15MAY145.00CE	3.50	20000	5.00	20000	100%	100%	100%	100%
490	TGBL15MAY170.00PE	21.00	18000	26.50	18000	100%	100%	100%	100%
491	UBRL15AUG1000.00PE	7.50	55000	21.09	55000	100%	100%	100%	100%
492	UBRL15AUG930.00PE	14.25	14000	28.00	14000	100%	50%	100%	32%
493	UBRL15AUG960.00PEW2	1.25	25000	5.00	25000	100%	100%	100%	100%
494	UBRL15JUL900.00PE	1.35	32000	7.45	32000	100%	100%	100%	100%
495	UBRL15SEP1110.00CE	23.25	26000	42.00	26000	100%	25%	100%	29%
496	UBRL15SEP930.00PE	16.25	31000	29.00	31000	100%	100%	100%	100%
497	UBRL15SEP940.00PE	11.63	47000	27.19	47000	100%	67%	100%	52%
498	UBRL15SEP960.00PE	30.25	15000	49.00	15000	100%	50%	100%	31%
499	UBRL15SEP990.00PE	10.25	27000	23.00	27000	100%	100%	100%	100%
500	UBRL15SEP990.00PEW1	3.25	29000	12.00	29000	100%	100%	100%	100%
501	VOLT15AUG280.00PE	1.05	26000	4.85	26000	100%	100%	100%	100%
502	VOLT15AUG310.00PE	4.25	49000	12.85	49000	100%	33%	100%	47%
503	VOLT15AUG330.00CE	1.35	50000	6.00	50000	100%	100%	100%	100%
504	VOLT15JUL280.00PE	1.75	40000	3.00	40000	100%	100%	100%	100%
505	VOLT15JUL310.00PE	2.46	119000	7.97	119000	100%	60%	100%	53%
506	VOLT15SEP270.00PE	1.25	28000	4.45	28000	100%	50%	100%	36%
507	VOLT15SEP290.00PE	7.75	46000	2.15	46000	100%	50%	100%	37%
508	VOLT15SEP340.00CE	2.25	50000	8.00	50000	100%	100%	100%	100%
509	WOCK15AUG1710.00CE	1.25	12000	9.00	12000	100%	20%	100%	17%
510	YESB15AUG700.00PE	1.05	34000	7.70	34000	100%	100%	100%	100%
511	YESB15AUG740.00PE	12.75	17000	22.00	17000	100%	17%	100%	10%
512	YESB15AUG820.00CE	12.25	30000	24.80	30000	100%	40%	100%	96%
513	YESB15JUL720.00PE	5.00	15000	3.25	15000	100%	100%	100%	100%
514	YESB15JUL800.00CE	12.25	27000	28.00	27000	100%	100%	100%	100%
515	YESB15JUL800.00PE	3.05	32000	11.00	32000	100%	25%	100%	61%
516	YESB15JUL860.00CE	6.05	34000	11.00	34000	100%	100%	100%	100%
517	YESB15SEP680.00PE	2.65	26000	8.85	26000	100%	100%	100%	100%

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518	YESB15SEP720.00PE	2.69	62000	9.17	62000	100%	40%	100%	44%
519	YESB15SEP800.00PE	21.25	28000	39.00	28000	100%	100%	100%	100%
520	YESB15SEP860.00CE	27.25	18000	46.00	18000	100%	100%	100%	100%
521	ZEEL15APR300.00CE	36.50	28000	27.90	28000	100%	33%	100%	54%
522	ZEEL15APR310.00CEW4	27.60	20000	19.10	20000	100%	25%	100%	42%
523	ZEEL15APR320.00CEW2	17.10	26000	27.10	26000	100%	5%	100%	5%
524	ZEEL15APR340.00CEW2	20.90	18000	30.50	18000	100%	50%	100%	42%
525	ZEEL15APR350.00CEW1	12.50	15000	18.50	15000	100%	100%	100%	100%
526	ZEEL15APR350.00PEW3	16.90	25000	5.60	25000	100%	100%	100%	100%
527	ZEEL15APR380.00PEW2	8.90	15000	17.50	15000	100%	100%	100%	100%
528	ZEEL15APR390.00PEW3	22.10	16000	31.20	16000	100%	100%	100%	100%

3. It was observed that:

   a. The alleged non-genuine trades of the Noticee had contributed from 1% to 100% of the total trades that had happened in the aforementioned contracts in the market.

   b. The volume of 2,87,13,000 units generated by alleged non genuine trades of the Noticee in the above 528 contracts was artificial volume which had contributed 1% to 100% of the total volume in said contracts in the market.

   c. These alleged non genuine trades, executed by the Noticee had significant differential in buy rates and sell rates considering that the trades were reversed on the same day.

   d. The Noticee had allegedly engaged in the non-genuine trades in the Option Segment of BSE for the purpose of creating false or misleading appearance of trading in the aforementioned contracts in the Stock Option Segment of BSE.

4. Based on above findings of the investigation, the competent authority in SEBI *prima facie* felt satisfied that there are sufficient grounds to inquire and adjudicate the alleged violation of the provision of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (hereinafter be referred to as, the "PFUTP Regulations") by the Noticee and appointed Shri Suresh B Menon., Chief General Manager ('erstwhile AO') as Adjudicating Officer vide *communication order* dated May 29, 2018 to inquire and adjudge under Rule 5 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 and under section 15HA of the SEBI Act, the alleged

violations by the Noticee. Thereafter, vide a *communication order* dated March 25, 2019, Shri Santosh Kumar Shukla, Chief General Manager was appointed as Adjudicating Officer pursuant to transfer of Shri Suresh B Menon. Subsequently, by a *communication order* dated January 07, 2020, this case has been transferred to the undersigned with an advise that except for the change of the Adjudicating Officer the other terms and conditions of the original orders *'shall remain unchanged and shall be in full force and effect'* and that the "*Adjudicating Officer shall proceed in accordance with the terms of reference made in the original orders"*. The text of the provisions of PFUTP Regulations are as under:

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;

(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.

5. After receipt of records of these proceedings, it was noted that the erstwhile AO had issued the notice to show cause no. SEBI/HO/EAD/25605/2018 dated August 27, 2018 ('the SCN') to the Noticee in terms of Rule 4(1) of the Adjudication Rules read with section 15I of the SEBI Act. Vide letter dated October 24, 2018, the Noticee had requested for inspection of all the documents / records relevant to the charges leveled against it in the SCN. In response to the request of the Noticee, vide letter dated December 07, 2018, the erstwhile AO had allowed the Noticee to take up the inspection with the Enforcement Department of SEBI at a mutually convenient time but not later than 15 days from the date of receipt of the said letter dated December 07, 2018. Subsequently, vide e-mail dated September 18, 2019, the status report on the inspection undertaken by the Noticee was sought from the Enforcement Department of SEBI. In response to the same, vide email dated December 27, 2019, the Enforcement Department of SEBI confirmed that the Noticee had not availed the opportunity granted to it for inspection of documents / information. It was also noted that the Noticee has not filed its reply on merits to the SCN.

6. Thereafter, after considering the material available on record, an opportunity of hearing was granted to the Noticee on January 28, 2020 in terms of Rule 4(3) of the Adjudicating Rules when Mr. Aditya Bhansali, Advocate, Authorised Representative ('AR') appeared before the undersigned and made oral submissions on the lines of written reply dated January 27, 2020, tendered during the hearing. The replies /submissions of the Noticee are *inter alia* as follows:

   a. The Noticee objected that the SCN suffers from serious latches as there has been a long and unexplained delay in the initiation of proceedings against it i.e. after nearly four years from the date of execution of the alleged trades. The SCN does not provide any reason or explanation for the inordinate delay in issuance of the same. The SCN is liable to be quashed on this ground alone. In this regard, the Noticee placed reliance on the orders of Hon'ble Securities Appellate Tribunal ('SAT') in the matter of *HB Stockholdings Limited Vs. SEBI* decided on 27.08.2013, *Khandwala Securities Vs. SEBI* decided on 07.09.2012 and *Subhkam Securities Private Limited. vs. SEBI* (Appeal no.73 of 2012).

   b. All the relevant materials / documents in connection with the matter were not provided to it to enable it to effectively defend the charges in the SCN and such failure is bad in law and contrary to the settled principles of natural justice. The preliminary documents sought by the Noticee include the following:

      (i) Copy of the Investigation Report.
      (ii) Copy of the complete order log and trade log for the trades executed by it in all the scrips/ options during financial year 2014-15 in both NSE and BSE.
      (iii) Complete details of the options in which it had traded during the financial year 2014-2015 in both BSE and NSE.
      (iv) Price movement with time stamps in all the scrips in which trades have been executed by it during the financial year 2014-2015 in both NSE and BSE.
      (v) Its relationship with counter parties broker/counter party client in the alleged transactions executed by it.
      (vi) Communication exchanged with the Income Tax Department.
      (vii) Any other documents/material relied upon while issuing the Notice for the alleged violation in the captioned matter.
      (viii) File noting by which the action was approved in the instant matter.
      (ix) Volatility index in the underlying scrips of the options in which trades have been executed by it during the financial year 2014-2015 in both NSE and BSE.

   c. It wrote a letter to Enforcement Department on December 21, 2018 seeking inspection of the documents as relied upon in the SCN. However, there has been no response by the Department to the said and till date no opportunity of inspection has been granted to it.

   d. The pending documents/information with SEBI shows that the data provided by SEBI in the Notice is just the tip of the iceberg and various relevant information and data remains undisclosed by SEBI. Thus, it would not be possible for it to present a comprehensive submission without the required information. The same is a gross violation of Natural Justice, and therefore the SCN should be quashed and set aside on this ground alone. It is therefore limiting its submissions strictly on the basis of the documents available on record and requests the undersigned not to rely upon any data / documents / averment / statements beyond the material which is available on record as provided to it.

e. The SCN does not justify the basis of the alleged definition of reversal trades and which authority has been relied on in this context. No documents in this regard have been provided. Further, the basis of arriving at the definition of artificial volume is done without any disclosure. There is no material on record in the present proceedings to uphold the definition of artificial volume. In absence of any such materials, the statements made in the SCN are without any basis and therefore denied and disputed.

f. It claimed that details of only few of its trades have been provided and the data along with the SCN does not provide the details of trades of any other entity which makes the allegations in the SCN baseless and that there is no material evidence to reflect upon the conduct and the manner in which the alleged trades were executed.

g. In order to allege the creation of artificial volume in the market, it is necessary to show that the parties were connected to each other or at least shared a common objective of creating artificial volume. Therefore it is necessary to prove that there was meeting of minds between the two contracting parties. It submitted that it was completely unaware of the identity of the actual seller and counter party broker and there cannot be any question of meeting of minds. Further, no evidence has been put forth in the SCN to suggest that it had any prior consensus or there existed a meeting of minds with the counter party. In this regard, the Noticee placed reliance on the orders of Hon'ble SAT in the matter of *M/s Nishith M. Shah HUF vs SEBI*.

h. It is impossible to know the identity of the parties in a screen-based transaction. The said position has been accepted and affirmed by SEBI before the Joint Parliamentary Committee on Stock Market Scam and matters relating thereto, 2001, which tabled its Report in the Parliament in December, 2002. In the report it has, *inter alia*, been stated that - *"SEBI has also confirmed that in the screen based trading that is prevalent in the stock exchange now, the buyer or the broker will not be aware of the identity of the seller or the broker."* The SCN alleges the trades with counter parties in the nature of reversal of trades which essentially involves synchronization of trades. It is submitted that synchronization is ipso facto not illegal even under the SEBI Act and SEBI Regulations. SEBI had before Joint Parliamentary Committee, *inter alia*, stated that - *"SEBI has since confirmed that synchronized deals are ipso facto not illegal."*

i. The aforesaid position is also clear from the fact that SEBI itself recommends several kinds of transactions, which would be capable of synchronizing as valid and legitimate stock market transactions. For instance, SEBI recognizes the concept of negotiated deal i.e. a deal which is struck between the buyer and the seller outside the mechanism of the Stock Exchange, wherein the buyer and seller agree upon the quantity, the price and the terms of the settlement.

j. In terms of SEBI Circular No. SMDRP/POLICY/CIR-31/99 dated September 14, 1999, there is no bar on executing the negotiated deals but once a negotiated deal is struck, SEBI obliges that the same be notified to the concerned Stock Exchanges. It is submitted that when a negotiated deal is entered into on the trading screen, there will be meeting of minds of both the Buyer and the Seller, who would simultaneously be aware of the fact that the transaction is being entered on the trading screen in terms of their agreement. Therefore, it necessarily implies that buyer and seller would simultaneously enter their sell and purchase transaction at the agreed price on the screen in order to conclude the transaction. This transaction would necessarily be a synchronized transaction. Thus, SEBI itself permits synchronized trading.

k. The SCN has failed to appreciate that the anonymous systems of the Exchange do not allow a transacting party to know the details of the counter party and therefore the allegation of executing reversal trades cannot hold good. It never knew that the trades are in the nature of reverse trades before receiving the SCN and scrutinizing the Annexures thereto. It did not have any relation/connection with the entities/persons mentioned in the SCN or with any of the counter parties to its trades. The trades were done in normal course devoid of any malafide intentions and knowledge of any such alleged scheme as carved out in the SCN. The SCN has also failed to bring out any connection between it and the other persons/entities including the counter party broker or the counter party client. Therefore, by no stretch of imagination, it can be presumed that it had any relationship/ nexus/ prior meeting of mind with any entities involved in the said trades in options which is a necessary pre-requisite for any allegation of artificial volume. In order to establish charges of fraudulent trading or violation of PFUTP Regulations, it is a settled principle of law that there must exist some collusion between the parties to the trades. In this regard, it placed reliance on the orders of Hon'ble SAT in the matter of *Jagruti Securities vs. SEBI* and *Vintel Securities Pvt. Ltd. vs. SEBI* (Appeal No 219 of 2009, Date of decision November 23, 2009).

l. It submitted that the literal meaning of the word *'collusion'* as per the Black's Law Dictionary (St. Paul, Minn. West Publishing Co., 1990, Sixth Edition) is *"an agreement between two or more persons to defraud a person of his rights by the form of law, or to obtain an object forbidden by law"*. The term 'Collusion' is also defined as *'conspiracy; agreement formed with the intent to defraud (Law)'*. Further, it is relevant to note the observation of the Administrative Law Judge of US Securities Exchange Commission in the case of *Carole. L. Haynes*, that in order to establish the liability for collusion, one has to establish that - the existence of primary violation; “knowledge” requirement. i.e. the parties colluding had general awareness that his role was part of overall activity that was improper and that the parties colluding had substantially assisted the principal violation. Therefore, from the above, it can be concluded that nothing has been shown in the SCN to make good the allegation of collusion against it and hence the directions mentioned in the SCN deserve to be vacated against it.

m. The presumption which can be drawn from the SCN is that all the said trades are premeditated and were carried out in connivance with each other i.e. the brokers and the clients at both the ends of a transaction were acting in concert with each other to carry out these alleged irregular trades. If that is the case, all the entities/persons which/who have executed trades in the said options during the examination period along with their respective brokers should have been made a party to the SCN. But, SEBI has taken action against it ignoring the distinct counter parties. Thus, such proceedings where only selected persons/entities are alleged are strictly against the principle of justice, equity and good conscious and thus is liable to be set aside.

n. On basis of the incomplete trade and order log provided to it, it had traded only in 528 contracts and executed only 1154 trades which amounts to 0.39% of all the trades executed in stock options segment of BSE where these trades were alleged as non-genuine trades in toto during the investigation period and this could not possibly have any impact on the underlying scrip of the option segment. Further, all the scrips in whose options it had traded in the examination period are extremely liquid and its contribution to the same is a meagre quantity.

o. It submitted that every action has an equal and opposite reaction. Assuming without admitting that it had created a misleading appearance of trading in the market, but the reaction that the market gave to such an act does not exist. SEBI has not provided any instances of any effect of the volume or price on the options and has also not provided complete order log and trade log in order to determine the same. In this regard, it placed reliance on the judgement of Hon'ble SAT in the matter of *Ketan Parekh Vs. SEBI* (SAT Appeal No 2 of 2004) while dealing with the issue of synchronized deals.

p. It submitted that the allegation that the non-genuine trades were in the range of 1% to 100% of the trades that happened in the option contracts is merely an eyewash as it does not take into consideration the no. of trades and volumes generated in the complete options segment in BSE in a particular scrip on a particular day. The stock exchange platform at the relevant point of time gave an option to write different options as per the suitability of the trader. The SCN has considered only a particular option and not the total trading in option segment in particular scrip at the relevant point of time. Thus, the percentages shown in the SCN are misleading and cannot be relied upon.

q. The pricing of an option determined by the parties to the contract considering host of factors like price of the underlying scrip, movement of the market, the no. of trades in other options, the volatility index prevailing etc. Since none of these details have been provided to it, it is impossible for it to explain as to why it had dealt in a particular option at a particular price at a particular time. As for the effect of the alleged non-genuine trades on the cash segment, SEBI has failed to provide any data stating otherwise. Therefore, the allegations based on pricing needs to be ignored.

r. Since it has executed trades only on one side of the transaction, the entire 1% to 100% of the volume cannot be contributed to it when there was a separate counter party to all its trades. It has either contributed to the buy volume or the sell volume of the trade and not to the total volume of the day or the contract. Hence, the allegation of generating artificial volume 100% is wrongly calculated and the said charge cannot sustain. As per the data provided to it, its 1,151 trades for 2,87,13,000 units in 528 stock option contracts during the Investigation Period amounts to 0.39% of total reversal trades executed in BSE Stock Options segment which is very minuscule to have an impact on the overall volume of the entire BSE Stock Options segment. Hence the allegation of generating artificial volume in all 528 stock option contracts in BSE Stock Options segment is not sustainable in law.

s. As per clauses 1.2 and 1.3 of Risk Disclosure Document (RDD), which deals with risk of low liquidity and risk of wider, it can be construed that SEBI is well aware of the possible losses due to lower liquidity and wider spreads. It is not disputed that liquidity in the contracts recorded in the SCN was low and spreads were bound to be wide so it was constrained to square off the trades at a price difference which is appreciated by the RDD issued by SEBI.

t. In the SEBI order dated April 05, 2018, reference was made to various measures taken by BSE to prevent occurrence of reversal/ non genuine trades of exchange platform in 2016. Hence, it cannot be blamed for BSE's failures and negligence in employing measures in the operating trading system from day one. BSE subsequently introduced 'Reversal Trade Prevention Check' feature in its system to stop "reversal trades" only with effect from March 14, 2016. This means at the relevant time when it executed its trades, parties to a trade were not cognizant of the counter-parties. BSE also introduced the Price Reasonability Check (PRC) feature with effect from January 18, 2016 to ensure that the entered prices for trades are not too far away from each other which implies that no such mechanism existed at the time of execution of the trades in question. Finally, BSE discontinued weekly stock options with effect from March 03, 2016 without raising any objections regarding the transactions already duly completed such as the ones in question. BSE's introduction of check features after passing of the interim order and subsequent discontinuation of the weekly contracts establish the fact that the fault lines were in the operating system and hence the onus for which cannot be shifted on it.

u. The SCN suffers from *suppressio veri* and *suggestio falsi* in as much as there is no reference of SEBI's previous proceedings, BSE's failures and reasons for non-annulment of trades by BSE. It can also be assumed that even SEBI was duly monitoring all trading activities on BSE and monitoring them. Having not taken any objection then, it is improper to consider its trading as non-genuine after a number of years - it is retrograde. The execution of trades legitimately in compliance with all existing checks and guidelines cannot be retrospectively termed as "misuse" or "abuse" of lapses.

v. The offences for which it is being accused of: i.e. violation of the provisions of PFUTP Regulations is incorrect as none of the ingredients for any of the said offences are made out or established. There is no evidence on record to show that its actions were in any way fraudulent. If the table in the SCN is to be considered to be true, than in as many as 187 out of 489 contracts, it has contributed 100% of the volume in the said contract. In such a case, it can be fairly concluded that it has not induced any other entities to trade in these contracts. Its trading has not in any way induced any person to trade or abstain from trading in the said options as the options have remained illiquid after its trades and has also not impacted the subsequent trades and thus, not violated the provisions of PFUTP Regulations. In this regard, it placed reliance on the judgement of Hon'ble Supreme Court in the matter of *SEBI vs. Kanaiyala Baldevbhai Patel.* Further, there is no reference or allegation that its trading had induced any entity to deal in those contracts has also been made in the Notice. This shows that the allegations levied against it are bald, baseless and frivolous and on this very basis the present SCN should be quashed.

w. It is SEBI's case that the trades executed by the Noticee were as high as 100% on some of the days and no loss could have been caused to the investors in such a situation. It fails to understand how trades which do not affect the investors have been termed as fraudulent by the regulator. It is at loss to understand that when it is being said on the one hand that the options were illiquid then to whose deception these trades were being executed.

x. It has not made any false statement without reasonable ground for believing it to be true which would have induced any entity to trades in the BSE Stock Option. It has not issued any securities where in misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price. Therefore, it cannot be alleged to have been indulged in the fraudulent trade practices.

y. The words *"artificial"* and *"non-genuine"* are not defined in PFUTP Regulations or any of the Acts / Regulations of SEBI. This leaves it to rely on dictionary meanings of these words to test whether its trades fall under the categories of artificial volume or non-genuine trades. The term *"artificial"* is defined as *"produced by human art or effort, not originating naturally, made or done in imitation of the natural; affected or insincere"*. The term *"non-genuine"* is opposite of *"genuine"* which is defined as *"really coming from its reputed source etc., not sham; properly so called; pure bred."* Its trades have all the characteristics of being genuine trades and cannot be categorized as non-genuine trades as the same were executed on the anonymous platform of the Exchange, without any knowledge of counter party, at price ranges that were permitted by the Exchange and SEBI and the obligations arising out of it have been settled through the clearing mechanism of the Exchange.

z. The stand of SEBI that its trading which has been branded as fraudulent has caused any loss to any other market participants is self-defeating because the whole premise of SEBI issuing a SCN was that the options in which trading was executed by it were illiquid and no trading was taking place in these options. This makes it clear that there was no public involvement in these options and hence, no harm could have been caused to any other market participant.

aa. On majority of occasions, it had placed orders on the basis of counter orders available in the system. It is not the case that it had entered orders in variation to the best available counter orders in the system. No fault can be found in its trading if it were entering orders on the prices available in system. It is an ironical situation wherein if a person enters orders in great variance to the price available in the system, he is charged with attempting to manipulate the prices and a person who is entering the orders on the basis of best counter orders available in the system is charged with fictitious and manipulative trading. If it was involved in reversal trading, then all the orders placed by it would have been executed. However, it is not the case and the failure on part of SEBI to provide a complete order log shows that SEBI is not willing to examine the trading done by it in a holistic manner.

bb. The thumb rule of trading in stock market is to buy shares at low price and sell shares at higher price. In the instant case, it had sold the units of contracts at high price and had bought back at a lower price which exhibits normal market behaviour and uphold the economic rationality. Its trading pattern was in the normal course which makes complete economic sense as it had made profits.

cc. Its trades in the stock options were intra-day trades which were and still are a permissible and extremely popular form of trading. These intra-day trades, like any other, may result into profit or loss for traders. Intra-day trading in options is often conducted according to certain option trading strategies with a view to earn profits. However, such strategies do not guarantee gains and there still exists the risk of incurring losses. Trades considered as "reversal trades" in the SCN also fall within the realm of intra-day trading, and in reality, these are trades that were squared off simply to manage risk because it did not wish to carry forward its position to the next day.

dd. Trading in illiquid stock options is a legitimate options strategy as corroborated by the authors of the paper *"Illiquidity Premia in the Equity Options Market"* published by the prestigious Oxford University Press. From an active day-trader's point of view, whether stock options are liquid or illiquid hardly matter - as long as trading on the exchange is legitimately permitted and there lies enough depth for its own trading strategy. Its trading cannot be termed as non-genuine only because counter-parties to such intra-day trades were co-incidentally similar in some cases.

ee. Decision of the Hon'ble Supreme Court in *SEBI v. Rakhi Trading Pvt. Ltd. (2018) 13 SCC 753* is wholly inapplicable to the facts of present case as in the said case, the parties consistently made losses, transactions were non-genuine, pre-planned and there were rapid reversal trades and that if manipulation is established, it is paramount that the investors have been induced to buy or sell. According to the Noticee, based on its submissions in the preceding paragraphs, the elements of the offence alleged and of *Rakhi Trading (supra)* do not stand satisfied.

ff. It stated that it is not mandatory for the Adjudicating Officer to impose a penalty every time he comes to conclusion that any person / entity has failed to comply with the specified requirement under the Act and/ or the Regulations. Even though Section 15HB of the SEBI Act contains the words *"shall be liable to a penalty"* there is no strict or mandatory obligation on the part of the defaulter to suffer such penalty. In this regard, it placed reliance on the judgement of Hon'ble Supreme Court in the matter of *Superintended and Remembrancer Legal Affairs to Government of West Bengal vs. Abani Maity (1979) 4 SCC 85*.

gg. With respect to imposition of penalty under Section 15HA of the SEBI Act in present matter, while determining the quantum of penalty, the provisions of Section 15 J of the SEBI Act are required to be taken into account. Citing the judgement of Hon'ble Supreme Court of India in the case of *Adjudicating Officer vs. Bhavesh Pabari,* it stated that Section 15J of the SEBI Act are illustrative in nature and depends from situation to situation. Further, various factors *viz.* nature, gravity, loss caused to investors, ill-gain made, investor complaint, repetitive violation and doctrine of proportionality should have to be considered other than the mentioned in Section 15J of SEBI Act before determining the quantum of penalty.

hh. It contended that in order to make any one liable for any commission or omission to visit adverse consequence, there should be adequate justification and in the absence thereof any punishment meted to him will be unsustainable. Therefore, allegations supported by no proof are in gross violation of the principles of natural justice and allegation levied in the SCN does not corroborate with the corresponding evidence provided in the instant matter and needs to be quashed. In this regard, it placed reliance on the judgements of Hon'ble Supreme Court in the matter of *Nanda kishore Prasad vs. State of Bihar (1978) 3 SCC 366* and *Union of India vs. H. C. Goel (AIR 1964 SC364)* as well as judgements of Hon'ble SAT in the matter of *KSL & Industries Ltd vs. SEBI* (Appeal no.9/2003 decided on September 30, 2009) and *R.K. Global Vs. SEBI* (Appeal no. 158/2008 decided on September 16, 2010).

7. I have considered the allegation levelled in the SCN, reply / submissions of the Noticee and the relevant material brought on record. The Noticee claimed that it wrote a letter to Enforcement Department on December 21, 2018 seeking inspection of the documents and no opportunity of inspection was granted to it. In this regard, from the material available on record, I note that Enforcement Department of SEBI had provided an opportunity of inspection to the Noticee on May 30, 2019 and an email in this regard was sent to the official email id of the Noticee *viz.*

info@ashlarindia.com on May 15, 2019. The said fact was pointed out to the AR of the Noticee at the time of personal hearing and the query remained unanswered. In my view, opportunity of inspection was duly granted to the Noticee and it has failed to avail the same and thus, the contention of the Noticee in this regard is devoid of any merit.

8. The Noticee has contended that all the relevant materials / documents in connection with the matter were not provided to it to enable it to effectively defend the charges in the SCN and such failure is bad in law and contrary to the settled principles of natural justice. In this regard, I note that all the relied upon copies of the documents in the matter were provided to the Noticee along with the SCN. I am of the view that since the copies of the relevant and relied upon material which is the trade log and order log relevant for the Noticee were given to it along with the SCN, no prejudice is caused to the Noticee on this account. Moreover, in this context, it is a settled position of law that only the relied upon documents has to be provided for inspection to the Noticee and the same position has been upheld by the Hon'ble Supreme Court in the matter of *Kanwar Natwar Singh v. Directorate of Enforcement [(2010) 2 SCC 497], Chandrama Tewari Vs. Union of India, Through General Manager, Eastern Railways, (1988) 1 SCR 1102* and *M/s Haryana Financial Corporation vs. Kailashchand Ahuja* [2008(9) SCC31], Hon'ble Delhi High Court Delhi High Court in its order dated 30.08.18 in the matter of *PRAR Holding Private Limited Vs. SEBI* and also by the Hon'ble SAT in number of its rulings. In the recent ruling of Hon'ble SAT in the case of *Shruti Vora Vs. Securities and Exchange Board of India, in* Appeal Number 28 of 2020 decided on February 12, 2020 held that *"…The contention that the appellant is entitled for copies of all the documents in possession of the AO which has not been relied upon at the preliminary stage when the AO has not formed any opinion as to whether any inquiry at all is required to be held cannot be accepted. A bare reading of the provisions of the Act and the Rules as referred to above do not provide supply of documents upon which no reliance has been placed by the AO, nor even the principles of natural justice require supply of such documents which has not been relied upon by the AO. We are of the opinion that we cannot compel the AO to deviate from the prescribed procedure and supply of such documents which is not warranted in law. In our view, on a reading of the Act and the Rules we find that there is no duty cast upon the AO to disclose or provide all the documents in his possession especially when such documents are not being relied upon…"* Therefore, the contention of the Noticee in this regard is not acceptable and hence rejected.

9. The Noticee has contended that the allegation and charges are based on surmises and conjectures, the SCN does not provide any explanation for the inordinate delay in issuance of the same and its relationship with the counter parties have not been spelt out in the SCN. In this regard, it is relevant to mention that the instant proceedings are mandated pursuant to decision of the competent authority to enquire whether in light of its alleged involvement in execution of reversal trades in stock options with same entities on the same day, which were non-genuine in nature, had created false or misleading appearance of trading in the contracts traded by it in the option segment of BSE during a particular period. The said decision is taken subsequent to the detailed investigation carried out in the matter involving thousands of entities. The SCN issued on August 27, 2018 contained the details of the allegations and the basis thereof and the provisions of Regulations viz. PFUTP Regulations alleged to have been violated by the Noticee had also been clearly mentioned and

reproduced therein. Further, the Noticee's reliance on rulings in this regard is out of place and is not tenable. I, therefore, hold that the contentions of the Noticee in this regard are not acceptable.

10. From the reply of the Noticee, I note that the Noticee has not disputed the execution and subsequent reversal of trades as alleged in the SCN. According to the Noticee, all the scrips in whose options it had traded in the examination period are extremely liquid and its contribution to the same is a meager quantity. In this regard, it is matter of common knowledge that the fraudulent trading in illiquid Stock Options cannot be justified merely because the impugned trading by the Noticee in illiquid Stock Option was in scrips which are highly liquid in nature. I, therefore, hold that the contention of the Noticee in this regard is not acceptable.

11. With regard to the merit of allegation, it is worth mentioning that reversal trades are considered non-genuine if they involve 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 in non-genuine trades, comprising both original volume and reversed volume while keeping out the volume which is not reversed. Admittedly, the Noticee had indulged in 1151 such reversal trades in 528 unique contracts during the Investigation Period involving reversal of trades with same entity with whom it had done buy/ sell transaction within a close proximity of time in a synchronized manner. It is noted from the trade log relied upon in the matter that the Noticee and counterparty (ies) both had placed their respective sell-buy and buy–sell orders within a close proximity of time. Further, each trade involved matching of time, price and quantity of units. For example, in respect of the 4 trades in contract "ALBK15JUL75.00CE" dated July 23 & 24, 2015, it is noted that –

    a. Details of non-genuine trades in the contract "ALBK15JUL75.00CE" by the Noticee:

Table-2

Sl.	Date	Buyer	Seller	Buy Order Time	Sell Order Time	Trade Time	Trade Rate (Rs.)	Trade Quantity	Trade Value (in Rs.)
1	23/07/2015	ASHLAR COMMODITIES PRIVATE LIMITED	INDUS PORTFOLIO PRIVATE LTD.	13:53:54.745731	13:53:54.808390	13:53:54.808390	12.1	16000	1393600
2	23/07/2015	INDUS PORTFOLIO PRIVATE LTD.	ASHLAR COMMODITIES PRIVATE LIMITED	13:54:01.198832	13:54:01.042581	13:54:01.198832	17.2	16000	1475200
3	24/07/2015	ASHLAR COMMODITIES PRIVATE LIMITED	INDUS PORTFOLIO PRIVATE LTD.	14:12:40.700327	14:12:40.700298	14:12:40.700327	9.1	20000	1682000
4	24/07/2015	INDUS PORTFOLIO PRIVATE LTD.	ASHLAR COMMODITIES PRIVATE LIMITED	14:12:54.606537	14:12:54.590919	14:12:54.606537	14.25	20000	1785000

Sl.	Date	Buyer	Seller	Buy Order Time	Sell Order Time	Trade Time	Trade Rate (Rs.)	Trade Quantity	Trade Value (in Rs.)
		Total						**72,000**	**63,35,800**

b. From the above table, it is noted that the Noticee at 13:53:54 hrs on July 23, 2015 placed a buy order for 16,000 units of call option of contract "ALBK15JUL75.00CE" at a price of ₹ 12.10. This buy order of the Noticee got matched with the sell order of another entity named Indus Portfolio Private Limited, which itself had placed a sell order for 16,000 units in the same contract at 13:53:54 hrs i.e. within few milliseconds of the buy order placed by the Noticee.

c. Thereafter, the Noticee, at 13:54:01 hrs placed a sell order for 16,000 units of call option of contract "ALBK15JUL75.00CE" at a price of ₹ 17.20. This sell order of the Noticee got matched with the buy order of Indus Portfolio Private Limited, which itself had placed a buy order for 16,000 units in the same contract at 13:54:01 hrs i.e. within few milliseconds of the sell order placed by the Noticee. Thus the buy order placed by the Noticee at ₹ 12.10 was reversed with the same counterparty at ₹ 17.20, within one minute.

d. Subsequently, the Noticee at 14:12:40 hrs on July 24, 2015 placed a buy order for 20,000 units of call option of contract "ALBK15JUL75.00CE" at a price of ₹ 9.10. This buy order of the Noticee got matched with the sell order of aforementioned entity Indus Portfolio Private Limited, which itself had placed a sell order for 20,000 units in the same contract at 14:12:40 hrs i.e. within few milliseconds of the buy order placed by the Noticee.

e. Thereafter, the Noticee, at 14:12:54 hrs placed a sell order for 20,000 units of call option of contract "ALBK15JUL75.00CE" at a price of ₹ 14.25. This sell order of the Noticee got matched with the buy order of Indus Portfolio Private Limited, which itself had placed a buy order for 20,000 units in the same contract at 14:12:54 hrs i.e. within few milliseconds of the sell order placed by the Noticee. Thus the buy order placed by the Noticee at ₹ 9.10 was reversed with the same counterparty at ₹ 14.25, within few milliseconds.

f. From the above, it is seen that total no. of non-genuine trades that were executed in contract "ALBK15JUL75.00CE" by the Noticee were 4 (as listed in table 2 above), and total artificial volume generated through such non genuine trades was 72,000.

12. A similar *modus operandi* was adopted by the Noticee in respect of other 1147 trades executed by the Noticee in other 527 illiquid Stock Options contracts, wherein trades has been entered in quick succession of each other and the time taken by the Noticee for reversing its non-genuine trades is within a span of few milliseconds to few minutes The buy orders placed by the Noticee were matched with sell orders of counterparties and sell orders placed by the Noticee were matched with buy orders of counterparties in terms of number of units and price and time. Thus, the total volume generated through such non genuine trades was 2,87,13,000 units of the 528 Stock Options

contracts. Such reversal of trades in quick succession with substantial price difference indicates towards employing of a manipulative device in connection with its dealing in said illiquid Stock Options contracts. The SCN and the data provided in its annexures clearly provide details of the contract name, average buy rate and sell rate, total buy and sell volume in particular contract, percentage of non-genuine trades to Noticee's trade, percentage of non-genuine trades of Noticee's to total trades in particular contract, percentage of artificial volume generated by the Noticee in the contract and percentage of artificial volume generated by the Noticee in the contract to total volume in the contract. It has been found that the Noticee's 1151 trades in 528 contracts were executed with the same counterparty with whom it had executed buy-sell or sell-buy trades and such trades were reversed within a close proximity of time in a synchronized manner. Therefore, I find no merit in the argument of the Noticee that its trades have all the characteristics of being genuine trades and cannot be categorized as non-genuine trades and no fault can be found with its trading strategies.

13. The Noticee has contended that violation of the provisions of PFUTP Regulations for which it is being accused of is incorrect as none of the ingredients for any of the said offences are made out or established. I note that the impugned reversal trades were carried out by the Noticee in an illiquid Stock Options Contracts where there was no participation of public. While synchronized trades may occur by accident in a liquid stock, execution of synchronized trades in an illiquid market with anonymous trading indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price, cannot take place without pre-arrangement. Considering these facts and circumstances, I am of the view that the impugned trades of the Noticee were not just a coincidence or genuinely negotiated transactions. Rather the reversal trades were undertaken by the Noticee with his counterparty with a predetermined arrangement to book profit or losses respectively, and, therefore, the parties to the trades were not trading in the normal sense and ordinary course of business. Such trading pattern in illiquid Stock Options as found in this case cannot occur just by accident or coincidence. In this case, the trading behavior of the Noticee makes it clear that aforesaid trades of the Noticee could not have been possible without prior meeting of minds. The trades by the Noticee generated volumes without any change of beneficial ownership. The synchronized trading by the Noticee with same counterparty at same time for same quantity at same price and reversal of transaction with wide variation in price of the reversed trades in the same contract in a short span of time without any basis, all indicate that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in Stock Options which were manipulative and deceptive in nature. Additionally, there was no justification for the significant price difference in the same contract in a span of a few milliseconds to few minutes. Thus, in my view, the trading volumes generated by the Noticee through its trades in question were non-genuine and artificial and therefore, the claim of the Noticee that its pattern of trading is genuine and cannot be said to have resulted into artificial volume is not acceptable. Such transactions in illiquid Stock Options cannot be taken as genuine one and such trading was apparently without any economic rationale. The law in this respect is well-settled through the decision of the Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Private Ltd.*, in Civil appeals no., 1969 of 2011 with Civil Appeal Nos., 31743177 of 2011 and Civil Appeal

No., 3180 of 2011 decided on February 8, 2018 which was a similar case involving execution of reversal trades in index option wherein the Hon'ble Supreme Court had *inter-alia* observed that *"The non-genuineness of these transactions is evident from the fact that there was no commercial basis to suddenly, within a matter of minutes, reverse a transaction when the value of the underlying had not undergone any significant change."*

14. With respect to the reversal of trades carried out by the Noticee, I note that the Hon'ble Supreme Court in the matter of *Rakhi Trading Private Ltd.* case had observed that *"the price discovery system itself was affected by synchronization and rapid reverse trade, which also had the impact of excluding other investors from participating in the market. The Supreme Court, therefore found that the traders having engaged in a fraudulent and unfair trade practice while dealing in securities, are hence liable to be proceeded against for violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations".* The Hon'ble Supreme Court in the *Rakhi Trading Private Ltd.* case also observed that "*considering the reversal transactions, quantity, price and time and sale, parties being persistent in the number of such trade transactions with huge price variations, it will be too naïve to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the Board's circular. The impugned transactions are manipulative/deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities."*

15. The Noticee has contended that the facts and circumstance of the present case is distinguished from the case of *Rakhi Trading* and it contested that in the said case, the parties consistently made losses, transactions were non-genuine, pre-planned and there were rapid reversal trades and that if manipulation is established, it is paramount that the investors have been induced to buy or sell. In this regard, I note that the ruling in *Rakhi Trading Ltd.* case primarily deals with the impact of non-genuine reversal of trades between the counter parties which creates false or misleading appearance of trading and is not dependent on loss or profit made by the entities with the idea of tax planning. Further, the charge of artificial volumes created by the two counterparties by entering into non-genuine reversal of trade, is not dependent on making of loss or profit by an entity. In this regard, Noticee's contention regarding distinguishable factors is not tenable. I note that the Hon'ble Supreme Court in *Rakhi Trading (supra)* case held that such undesirable transactions would certainly include unfair practices in trade and thus, orchestrated trades are a misuse of the market mechanism. It is also noted that the trades by the Noticee generated volumes without any change of beneficial ownership. With regard to such reversal transactions, Hon'ble Supreme Court also held in the *Rakhi Trading* case that - "*From the facts before us, it is clear that the traders in question did not intend to transfer beneficial ownership and therefore these trades are non- genuine*". The Hon'ble Supreme Court further observed that - "*The non-genuineness of these transactions is evident from the fact that there was no commercial basis to suddenly, within a matter of minutes, reverse a transaction when the value of the underlying had not undergone any significant change*". The investigation has shown amount of profit / loss of the counterparties to the trades as a result of such non-genuine trades. The violation by the Noticee is creation of artificial trading volumes by trading between two counterparties and wider market is not involved in the trades, the trades are such that one of the counterparty books a profit while the other counterparty books a loss. Hence, it would be appropriate to consider the impact of these transactions between

the counterparties in totality. When the impact of artificial volumes created by the two counterparties is seen as a whole, the making loss or profit is immaterial as the charge in this case is of creating false or misleading appearance of trading in the aforementioned contract. Further, once the Noticee has been found to have indulged in such reversal transactions in illiquid Stock Options, it is liable for its acts and omissions and it is immaterial whether the brokerage firms / counterparties to its trades have been charged or not. Therefore, the other contentions of the Noticee that there is no evidence of prior meeting of minds, no nexus/relationship with other counter parties, allegations based on pricing, reversal trade *per se* is non-genuine is flawed as 'reversal' is intra-day trading which is permissible, it made profits out of its trading and trades within the permissible limit etc., are also devoid of any merit and rejected hereby. Similarly, the logic of negotiated deals being allowed has no relevance and applicability to the nature of trading as observed in this case.

16. The Noticee contended that its trading has not in any way induced any person to trade or abstain from trading in the said options as the options have remained illiquid after its trades and thus, not violated the provisions of PFUTP Regulations. In this regard, it placed reliance on the order of Hon'ble Supreme Court in the matter of *SEBI vs. Kanaiyala Baldevbhai Patel.* From the facts of the case, I note that the Noticee had dealt in illiquid stock options at such prices which were far away from the market price and structured in way, which had induced the counterparty to indulge into manipulative and artificial trades, which were non-genuine. I am of the view that in illiquid stock options, the inducement to a larger population may not be present, however, the magnitude of inducement has to be seen in the context of surrounding circumstances of the case. I note from the trading pattern of the Noticee in illiquid stock options that, in respect of 242 out of 528 contracts, the trades executed by Noticee have created 100% artificial volume on that day and hence, were manipulative and artificial in nature. I am of the opinion that the element of inducement can also be seen in the context of the potentiality of trading pattern which can induce others. Therefore, the element of inducement is present in this case which can be seen in the context of reversal of trades executed by the Noticee with the same counterparties, which were non-genuine and structured in a way to create false or misleading appearance of trading in terms of artificial volume. I further note that in terms of the aforesaid decision of the Hon'ble Supreme Court in *Rakhi Trading* case read with the ruling of the Hon'ble Supreme Court in the matter of *SEBI v. Kanaiyalal Baldevbhai Patel and Ors.*, an unfair trade practice in securities means a practice which does not conform to the fair and transparent principles of trades in the stock market. Where reversal trades involve pre-fixed price completely unrelated to the price of the underlying asset, and rights in the contract are not being effected in its true sense, such reversal trades constitute an unfair trade practice. Thus, I find no merit in the submissions made by the Noticee in this regard.

17. The Noticee citing the Risk Disclosure Document (RDD) provided by Stock Exchanges submitted that there could be risks of low liquidity and risk of wider price spread while dealing in derivatives segment and due to the said fact, it was constrained to square off its trades at a price difference. In this regard, I note that RDD is a document in the nature of general advisory to investors dealing in

derivatives markets considering that derivatives products are complex, risky and high leverage products. Such a document in any case does not either implicitly or explicitly permit deliberate structuring of manipulative trades which lack economic rationale and run contrary to the dynamics of price discovery in option trading. Therefore, the contention of the Noticee in this regard to justify its trading strategy is devoid of any merit.

18. The Noticee has contended that it had traded in stock options on anonymous order matching system of BSE and his orders were matched in normal course when an opposite matching order is placed/is found. Further, the Noticee contended that the SCN failed to show any nexus between the Noticee and other counter parties. I am of the view that the transactions in a particular contract were reversed with the same counterparties indicates a prior meeting of mind with a view to execute the reversal trades at a pre-determined price. Since these trades were done in illiquid option contracts, there was no trading in the said contract and hence, there was no price discovery in the strictest terms. The wide variation in prices of the said contracts, within a short span of time, is a clear indication that there was pre-determination in the prices by the counterparties while executing the trades. Thus, it is noted that the Noticee had indulged in reversal trades with its counter parties in the stock options segment of BSE and the same were non-genuine trades. Therefore, the Noticee's contentions are not acceptable and hence rejected.

19. I note that it is not mere coincidence that the Noticee could match his trades with the same counterparty with whom he had undertaken first leg of the respective trades. I note that though direct evidence is not available in the present matter as regards to meeting of minds or collusion of the Noticee with other entities, the genuineness of trading has to be determined based upon circumstantial evidence involving a bundle of factors such as trading pattern, liquidity and volatility in the scrip /contract, etc. In this context, I deem it appropriate to refer to the Hon'ble SAT order dated July 14, 2006, in the case of Ketan Parekh vs. SEBI (Appeal no. 2/2004), wherein the Hon'ble SAT has observed that- *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

20. Further, in *SEBI v Kishore R Ajmera (AIR 2016 SC 1079)*, Hon'ble Supreme Court held that - *"…in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. The illustrations are not exhaustive...".*The Hon'ble Supreme Court further observed that – "*It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to*

come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion."

21. Further, Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Private Ltd.* (*supra*), upheld that "*the entities were engaged in a fraudulent and unfair trade practice while dealing in Options and hence were liable for violation of SEBI (PFUTP) Regulations".* In line with the aforesaid judgments of Hon'ble SAT and Hon'ble Supreme Court, I note from the foregoing findings that the trading pattern of the Noticee in terms of volume of reversal trades, proximity of buy/sell and subsequent reversal evidences the indulgence of the Noticee beyond a reasonable doubt of the manipulative intent in creation of artificial volume. Further, consistent pattern of dealings by Noticee only in such options contracts which are illiquid clearly demonstrates that the manipulative intent to use stock exchange platform to carry out non-genuine trades with the aim to execute such trades for various manipulative purposes. In this regard, I note that the Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Private Ltd.* (*supra*), also held that - *"The platform of the stock exchange has been used for a non-genuine trade. Trading is always with the aim to make profits. But if one party consistently makes loss and that too in pre-planned and rapid reverse trades, it is not genuine; it is an unfair trade practice". "The stock market is not a platform for any fraudulent or unfair trade practice. The field is open to all the investors. By synchronization and rapid reverse trade, as has been carried out by the traders in the instant case, the price discovery system itself is affected. Except the parties who have pre-fixed the price nobody is in the position to participate in the trade. It also has an adverse impact on the fairness, integrity and transparency of the stock market."*

22. In totality of the circumstances as observed above, it is not acceptable that the Noticee has not employed any manipulative and deceptive device in contravention of the SEBI Act or the rules and the regulations made there under. Further, the non-genuine and deceptive trades as found in this case are covered under the definition of '*fraud*' and dealing of Noticee were '*fraudulent*' as defined under Regulation 2(1)(c) of the PFUTP Regulations. Further, it cannot be ignored that synchronization of trades in pre-determined manner as found in this case had an adverse impact on the fairness, integrity and transparency in the securities market. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations by the Noticee stands established. Thus, I hold that the Noticee liable for penalty under Section 15HA of the SEBI Act which reads as under:-

> *"**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."*

23. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15J of the SEBI Act which are as under:

a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
b) the amount of loss caused to an investor or group of investors as a result of the default;
c) the repetitive nature of the default.

24. Having regard to the factors listed in section 15J, it is noted that it is not possible to determine the consequent loss caused to investors as a result of the default as found in this case. It is worth considering that generally, there is NIL or negligible participation of the public in the trading in such illiquid Stock Option contracts. When the impact of artificial volume created by the two counterparties is seen as a whole, it is not possible from the material on record to quantify the amount of disproportionate gain or unfair advantage resulting from the artificial trades between the counter parties or the consequent loss caused to investors as a result of the default. However, considering the fact that the trades of the Noticee in 528 stock option contracts which resulted into artificial volume in range of 1% to 100%, generated out of the 528 non-genuine trades of the Noticee, I am of the view that such trades had created a misleading appearance of trading in the scrip. In these circumstances, I am of the view that for the market abuse and fraudulent practices by the Noticee monetary penalty needs to be imposed under section 15HA of the SEBI Act.

25. Taking into consideration all the facts and circumstances of the case including the aforesaid 15J factors and exercising the powers conferred upon me under section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose, a monetary penalty of ₹ 84,00,000/- (Rupees Eighty Four Lakh Only) on the Noticee section 15HA of the SEBI Act. In my view, the said penalty is commensurate with the violations committed by the Noticee in this case.

26. The Noticee shall remit / pay the said total amount of penalty within 45 days of receipt of this order in either of the way of demand draft in favour of "*SEBI - Penalties Remittable to Government of India*", payable at Mumbai, or by following the path at SEBI website www.sebi.gov.in, ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in

27. The Demand Draft or details and confirmation of e-payment made in the format as given in table below should be sent to "*The Division Chief, EFD-DRA-I, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 4A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051*" and also to e-mail id:- tad@sebi.gov.in.

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties along with order details)	

28. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

29. In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

Date: June 22, 2020	**Amit Pradhan**
Place: Mumbai	**Adjudicating Officer**