BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/PB/2021-22/14388]

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

In respect of:

Ms. Neha Maloo [PAN: AKZPP8075D]
Wardley House, 3rd Floor,
25 Swallow Lane
Kolkata - 700 001

In the matter of dealings in Illiquid Stock Options at BSE

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (hereinafter referred to as “BSE”). SEBI observed that such large scale reversal of trades in stock options lead to creation of artificial volume at BSE. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid stock options at BSE for the period April 01, 2014 to September 30, 2015.

2. Pursuant to investigation, it was observed during the investigation period, certain entities were involved in reversal trades in BSE’s Stock Options Segment. A total of 2,91,643 trades comprising 81.38% of all the trades executed in BSE Stock Options Segment reversal trades, which involved squaring off transactions (i.e. buy and sell positions) by the same set of counterparties in a contract, but with significant difference in the sell value and

buy value of the transactions. The aforesaid reversal trades allegedly resulted into generation of artificial volumes in otherwise illiquid option contracts.

3. It was observed that **Neha Maloo** [PAN: AKZPP8075D] (hereinafter referred to as the "**Noticee**") was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the investigation period. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in illiquid stock options and therefore were alleged to be manipulative, deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee for violation of the provisions of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations, 2003").

APPOINTMENT OF ADJUDICATING OFFICER

4. SEBI, after being satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged violations as mentioned above, inter-alia, in respect of the Noticee, had appointed the undersigned as the Adjudicating Officer vide Order dated July 02, 2021 [communiqué dated July 06, 2021], under Section 19 read with Section 15-I(1) of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act, 1992") and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "Adjudication Rules") to conduct adjudication proceedings in the manner specified under Rule 4 of Adjudication Rules read with Section 15-I(1) and (2) of SEBI Act, 1992, and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of Adjudication Rules and Section 15HA of SEBI Act, 1992.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice (hereinafter referred to as "SCN") bearing ref. no.: SEBI/OIA/PB/16182/2021 dated July 23, 2021 was issued to the Noticee

under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be initiated against her and why penalty should not be imposed under Section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by Noticee. As no reply was received, subsequently on August 04, 2021 another SCN bearing ref. no.: SEBI/OIA/AO/PB/2021/17850/1 on the same grounds was sent to the Noticee at a slightly modified address as available on record.

6. It was inter alia alleged in the SCN that Noticee was one of the entities which indulged in reversal trades which allegedly created false and misleading appearance of trading, generating artificial volumes in the Stock Options Segment of BSE during the investigation period. The Noticee is alleged to have engaged in reversal trades (altogether three trades, two on the buy side and one on the sell side) in the contract 'IDEA15APR185.00PEW1', which led to generation of alleged artificial volume of 1,20,000 units (buy side + sell side). These trades of the Noticee involved reversal with the same counterparty on the same day, but at significantly different price.

7. Summary of the reversal trades of Noticee in Stock Options segment of BSE during the investigation period are as follows:

Trade Date	Scrip Name	Strike Price	Expiry	Buy Client Name	Sell Client Name	Buy Order Time	Sell Order Time	Trade Time	Buy Order Rate	Sell Order Rate	Trade Rate	Buy Order Qty	Sell Order Qty	Traded Qty
30/03/2015	IDEA15APR185.00PEW1	185	2015-04-01	Amit Bafna	Neha Maloo	11:12:19.160798	10:57:20.922702	11:12:19.160798	12.0	12.0	12.0	60000	60000	60000
30/03/2015	IDEA15APR185.00PEW1	185	2015-04-01	Neha Maloo	Amit Bafna	12:35:15.097806	12:35:15.920787	12:35:15.920787	5.5	5.5	5.5	36000	36000	36000
30/03/2015	IDEA15APR185.00PEW1	185	2015-04-01	Neha Maloo	Amit Bafna	14:42:13.089542	14:42:14.442939	14:42:14.442939	5.05	5.05	5.05	24000	24000	24000

* Note: *"Traded Quantity" or "unit" refers to lot size in contract multiplied by number of contracts traded.*

(a) While dealing in the said contract on March 30, 2015, at 10:57:20.922702 hrs the Noticee placed a sell order for 60,000 units @ Rs.12.00 per unit. The sell order of the Noticee got executed against buy order placed by one 'Amit Bafna' at 11:12:19.160798 hrs at the same rate for equal quantity. Thereafter, at 12:35:15.097806 hrs, the Noticee placed a buy order for 36,000 units @ Rs.5.50 per unit, which got executed against the sell order from the same counterparty 'Amit Bafna' placed at that very second at 12:35:15.920787 hrs at the same rate and for equal quantity. At 14:42:13.089542, the Noticee placed another buy order for the balance 24,000 units @ Rs.5.05 per unit, which got executed against the sell order from the same counterparty 'Amit Bafna' placed within a second's time difference at 14:42:14.442939 hrs at the same rate and for equal quantity. This indicates that these trades are artificial and are non-genuine in nature.

(b) Non-genuine trades executed by the Noticee in above contracts had significant difference in buy rates and sell rates considering that the trades were reversed on same day.

(c) The Noticee's trades generated artificial volume of 1,20,000 units, (buy side + sell side) which made up 100.00% of total market volume in the said contract on that day.

(d) Overall, the Noticee contributed to 18.52% of the total traded volume in the said contract.

SUBMISSION BY THE NOTICEE

8. The SCN dated July 23, 2021 was served on the Noticee. Thereafter, the Noticee, vide reply dated August 08, 2021, sent through her representative, acknowledged the receipt of SCN and made a detailed submission. Submission made by the Noticee, vide reply dated August 08, 2021, is summarised below:

i. The stock option were traded by the Noticee on the BSE pursuant to its introduction by BSE within the available regulatory framework for trading on its anonymous electronic trading platform and was open to all trading participants. The same was subject to surveillance and other regulatory supervision of BSE at the first level and SEBI at the next level. The trades executed by the Noticee were cleared by the Clearing Corporation, which was empowered not to clear any trades which were not genuine and not in accordance with law, rules and Regulations, without any hitch as these were considered genuine, and normal transactions. Noticee had traded within the regulatory framework available to traders and investors and deny execution of non-genuine reversal trades in Stock Option, and denied having created any false or misleading appearance of trading. Noticee also submit that no violation of Regulation 3(a), (b), (c) & (d) and 4(1) & (2)(a) of PFUTP had occurred.

ii. The Noticee had put in a bid to sell 60,000 units of the contract @ Rs 12 at 10.57.20 Hrs. This remained unexecuted till 11.12.19 Hrs when it was executed in full by the trading system at 11.12.19 Hrs.

Thus, the order placed by Noticee was open for participation by all the trading entities during the time of its pendency that is 15 minutes. Thus the trade was neither pre-meditated nor synchronized and the entire trading community could have accepted her bid.

In Adjudication order MC/DS/2019-20/6209-6214 dated December 24, 2019 passed in respect of ***Govindji Gupta and Others***, the Ld. Adjudicating Officer ('AO' in short) had considered a time difference upto 5 minutes between placement of orders and execution of trades and also difference in order prices, to be significant and recorded his findings as under:

"*42 It has been further contended that there was huge order price gap between the both legs orders. There was huge order time gap between the both legs of orders placed by the Noticees and his counter parties. In most of the instances (more than 90% of orders) there were time gap of 10 second to 5 minutes. Thus the structured trades could not have been said to be intentional. In this regard, while 10 seconds is a very small time difference between orders, I find the argument on difference* *in order prices acceptable, as a trade cannot be intended to match in a structured manner with difference in order prices.*"

The Hon'ble Securities Appellate Tribunal (hereinafter referred to as 'SAT') has put a stamp of approval on the above on grounds of consistency by accepting the findings of the AO and observing as follows in ***Almondz Entertainment Pvt. Ltd. vs SEBI*** (Appeal No. 198 of 2020 dated 21.01.2021):

"*same charge were exonerated. In our opinion, if the six entities were exonerated, the appellants are entitled for the same relief*."

iii. This sale trade made trading sense as the IDEA scrip in cash market, after opening at Rs.175.4 was showing an upward trend and selling a put of Strike price of Rs.185 at a premium of Rs.12 gave the Noticee a cushion till the price of Rs.173 (Rs.185 Strike price - Rs 12 premium). This means there would be no loss to the Noticee if the price of the scrip remained above Rs.173. There is no bar on squaring-off a trade on the same day and so she squared-off the trade by selling the same at Rs.5.5 (36,000 units) at 12.35.15 Hrs and at Rs.5.05 (24,000 units) at 14.42.14 hrs. Noticee squared-off her trade at intervals of more than 1 hour and 3 hours after selling the contract. Both the purchase price and the sale price of her trades were commensurate with the movement in IDEA futures derivative contract which was as follows:

Date	Open	High	Low	Close
30/03/2015	175.4	185.65	171.4	184

iv. The premium received by me by way of sale was Rs.12 and paid by way of purchase was Rs.5.50 and Rs.5.05 on a PUT Strike price of Rs.185. It gave a price range of Rs.173 (Rs.185 – Rs.12 premium) and Rs.179.5 (Rs.185 – Rs.5.50). This was within the price range of Rs.185.65 and Rs.171.4 in the Futures segment in IDEA contract. Thus, the trades were executed by me at market price within the price range available and as these were executed at market price, the same cannot be called non-genuine. It is alleged that I indulged in reversal trade as the counter party was the same. However, it is only a coincidence that the counter party to the trades was the same. This is so because there were no more participants in this derivative contract on this day and the squaring-off trade had to match with the same party. Matching with the same counter party per se is not fraudulent or unfair. But if the trades are matched at market price, as is the present case, then whether the counter party is the same or different is immaterial and genuineness of the trade is not affected. If the trades were genuine, then there cannot be artificial volume, creation of false and misleading appearance of trading, deceptive and manipulative practices etc.

v. The allegation that the trades were non-genuine and created false and misleading appearance of trading in this contract is not true. The gain arising from these trades was apprx Rs.4,00,000 and it was settled by the parties to the trade to their respective brokers, who cleared the same through the clearing corporation of BSE, and same was collected/ paid to respective clients by BSE through respective brokers. BSE had collected transaction charges on these transactions, stamp duty was collected by State government through BSE, SEBI had collected turnover fees and the broker had collected his brokerage. This was done for both ends of the transaction. The volume was recorded by BSE and is part of historical data. Thus, the trading was not non-genuine or creating false or misleading appearance of trading, as the trades were acted upon by all the entities involved including the Regulatory bodies.

vi. It has not been alleged that investors were misled by volume of Noticee's trades or by the pricing of her trades, owing to these being false or misleading. Thus the allegation that she created false and misleading appearance of trading, or that these were non genuine trades, is incorrect and unsupported by evidence.

vii. It has been held in ***SEBI vs Kishore R Ajmera***, (2016 6 SCC 368) that the proximity of time in matching in a trade per se is not conclusive of violation of PFUTP Regulations unless it is accompanied by several other factors such as huge volume of trade, persistent trading by trader, such trading affecting the decision of investors, effect of such trade on prevailing prices, collusion and meeting of mind between related persons etc. These have also been referred to by the Apex Court in Rakhi Trading judgement as contributing factors. It is submitted that none of these factors is present in Noticee's case. Thus, viewed in this light, the trades executed by the Noticee deserve to be treated as genuine and given benefit of doubt.

viii. There is no huge volume of trade carried out by Noticee. As per the SCN, there were 2,91,643 non-genuine trades on BSE in options segment and these comprised of 81.38% of all executed trades. Noticee's 2 alleged reversal trades constitute only 0.0006% (or at the most 0.0010% if 'artificial volume' is considered) of this 2,91,463 number of trades. This is not a huge volume, and thus Noticee cannot be called part of a larger racket or a large participant. Moreover, it appears that the total number of units traded in these 2,91,643 numbers of trades was 826.21crores and Noticee's volume of traded units was 60,000 bought and 60,000 units sold. Her traded number of units, which is at the most 1,20,000 is a mere 0.0014% of this figure and it is insignificant compared to this figure of 826.21 crores units. Thus, it can be inferred that Noticee's volume of 1,20,000 does not fulfil the heavy volume criteria.

ix. Noticee had not persisted in trading by executing such trades either after March 30, 2015 in this derivative contract or any in other derivative contract or in cash market in any security in this manner. Being persistent in trading over a period of time is one of the important criteria laid down by Hon'ble Supreme Court in both ***SEBI vs Kishore R Ajmera*** (2016 6 SCC 368), and also in ***SEBI vs Rakhi Trading Pvt. Ltd.*** (CA 1968 of 2011), to determine whether violation of PFUTP Regulations 2003 has occurred. Repeated trades of this nature were found in both these cases. As in Noticee instance it is a solitary instance of such trades occurring on only one day, persistent trader label is not applicable to her. Even the Rakhi

Trading judgement was in context of ‘repeated’ trading and ‘consistent profits or losses’ and not in context of solitary instance of trade.

x. There was no manipulative effect on prices of either cash market security or derivative contract traded by Noticee, because of this trade executed on March 30, 2015, neither was decision of any investor affected because of my trades. The price movement of underlying security Idea Ltd. in cash market of BSE showed no effect of Noticee’s trades on prices anywhere or in investor sentiment and the volume of her trades was not false or misleading for others. Thus, it cannot be alleged that Noticee’s trades were not genuine or that she created false or misleading appearance of trading or that she misled investors into trading in these contracts by way of deceptive and manipulative trades and thus this criteria of manipulative or distortive effect on prices in determining non genuineness of the trade also fails.

It has been judicially held that synchronised trades (which include reversal trades) per se are not illegal. Collusion between two persons in executing such trades is a very important yardstick as laid down in ***SEBI vs Kishore R Ajmera*** (2016 6 SCC 368). There cannot be collusion or meeting of mind unless the buyer and seller are connected, related or known to each other. As per trade data, the counter party to Noticee’s trades was Amit Bafna. The names of counter party to trade and the counter party broker have appeared before Noticee for the first time in the SCN. Noticee is not connected or related to the said counterparty and its broker. As collusion is an essential ingredient of a reversal trade to constitute ‘meeting of mind’, the trades executed by Noticee cannot be called synchronised or reversal trade in absence of collusion between the counterparty and Noticee. No allegation that buyer and seller were related or connected to each other has been made in the SCN nor has any material been brought on record to suggest or justify collusion. It has been clearly stated in several decisions like ***SEBI vs Kishore R Ajmera*** (Supra) and ***SEBI vs Rakhi Trading Pvt. Ltd.*** (Supra) that knowing the identity of the party is not relevant but ‘meeting of mind’ is very important even in screen based trading and such meeting of mind is not possible without both the parties being related or connected to each other, and as such relation or connection is absent in the instant case , Noticee cannot be held guilty of charge of non-genuine trade or false and misleading appearance of trading. Such views find support in the majority Judgment of Hon'ble SAT in ***Amaresh Pathak vs SEBI*** (Appeal no. 322/2020 dated 16.02.2021) where the Ld. Tribunal, following Ajmera's judgement of Hon'ble Supreme Court observed that:

> "*13. There is no direct evidence of collusion between the appellant and the buyer. The only indirect evidence is that the appellants have sold miniscule quantities leading to an increase in the price of the scrip. One can infer manipulation but such trading cannot happen unilaterally. There must be evidence to show collusion between the buyer and the seller. The principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and buyer. This is what the Supreme Court has held in Ajmera's case*."

In this respect Noticee has also relied upon the judgement of Hon'ble SAT observed in ***Almondz Entertainment Pvt. Ltd. vs SEBI*** (Appeal 198 of 2020 dated 21.01.2021) and ***Umang Dhanuka vs SEBI*** (Appeal 102 of 2020 dated 08.06.2021) in this regard.

The Hon'ble Supreme Court, in SEBI vs. Kishore R. Ajmera [(2016) 6 SCC 368 while dealing with the concept of knowledge of identity of the parties concerned held that:

> *"...According to my, knowledge of who the 2nd party / client or the broker is, is not relevant at all. While the screen based trading system keeps the identity of the parties anonymous it will be too naive to rest the conclusions on the said basis which overlooks a meeting of minds elsewhere..*."

The Apex Court has clearly stated that not the knowledge of who the counter party is but 'meeting of mind' is very important even in screen based trading. A harmonious reading of the Hon'ble Supreme Court judgement along with other judgements quoted above spells out that although knowledge of identity of other party is not important but there must be connection or relation between the parties to establish the charges, and such relation or connection is absent in Noticee's case.

xi. There was neither mechanism to deter nor a note of caution by BSE about trading in this manner in execution of trades. Noticee's trades were for Rs.12, Rs.5.50 and Rs.5.05 for a total quantity of 1,20,000 units and the same were within the price range determined for the day by BSE and SEBI. There was, thus, no infringement of any Bye law or Regulation by Noticee in this regard. As a matter of fact, it is only in the month of March 2016 that BSE put in a mechanism to prevent a reversal trade, implying that such trades were permissible till then. Noticee was not subjected to any other regulatory action by SEBI or BSE.

xii. Regulation 3(a) to 3(d) cannot apply to a trade which is executed at market price with trading rationale.

xiii. Fraud is defined in Regulation 2(c) and as per the judicial interpretation of fraud in Regulation 2(c), as held by the Hon'ble Supreme Court in ***SEBI vs Kanaiyalal Baldevbhai Patel and Others*** (2017 15 SCC 1), the essential requirement to constitute fraud is to induce another person or his agent to deal in securities. There is no material or record brought out in the SCN, or in the inferential circumstances arising out of price movement of the impugned options Contracts or the underlying security or in the volume of such contract, that the trades were intended to induce or that such trades actually induced, any one to trade taking a leaf out of Noticee's trades. In the absence of any such concrete averment and finding in the Notice and in absence of finding of collusion or meeting of mind between Noticee and the counterparty, allegation of fraud cannot be leveled blandly.

xiv. The impugned Notice dated July 23, 2021 is an invalid notice as it invokes provisions of Regulations 3 and 4 of PFUTP Regulations 2003 case without bringing specifically what point of which clause is attracted in Noticee's case. It has been held by Hon'ble Karnataka High Court in ***CIT vs Manjunatha Cotton and Ginning Factory*** (359 ITR 565 (Kar)) that the penalty proceedings must be confined only to the specific charges levied therein in the SCN. It held that the grounds must be specifically stated in the notice so that the assessee could meet those grounds. It is not open to the authority, to impose a penalty on the grounds other than what the assessee was called upon to meet. As no specific charge has been made in against the Noticee in the SCN, following the principles so laid down, the SCN against the Noticce is rendered invalid.

Reliance has also been made to the judgment in ***Commissioner of Central Excise vs M/s Brindavan Beverages (P) Ltd. and Ors*** [2007 5 SCC 388) decided on June 15, 2007 wherein the Hon'ble Supreme Court observed as under:

"*10. There is no allegation of the respondents being parties to any arrangement. In any event, no material in that regard was placed on record. The show cause notice is the foundation on which the department has to build up its case. If the allegations in the show cause notice are not specific and are on the contrary vague, lack details and/or unintelligible that is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show cause notice.*."

xv. Section 15 HA of SEBI Act 1992 applies only if a person indulges in fraudulent and unfair trade practices relating to securities. As submitted earlier no 'fraud' or 'unfair trade practice' exist in Noticee's case. It is a trite law that a penalty provision should be construed strictly and not too widely to the prejudice of public and should be applied only in extreme situations. Accordingly, Regulations 3 and 4 of PFUTP Regulations 2003 are not attracted. Therefore, consequent application of Section 15 HA is not called for.

xvi. Noticee has also drawn a comparison how the instant matter is different from the charges against *Rakhi Trading Pvt. Ltd.*

xvii. The principle of proportionality envisages that a public authority ought to maintain a sense of proportion between his particular goals and the means he employs to achieve those goals. The principle also requires that the efforts of the means and the method adopted must not be disproportionate to the advantage sought. Penalty under Section 15 HA, which is Rs. 5 lacs minimum, would be highly excessive. In this regard, the Noticee has drawn reference to various judgments namely:

a. Adjudication Order No.: DS/2019-20/6209-6214 dated December 24, 2019, in respect of Govindji Gupta and others where it was not found to be a fit case for penalty;

b. Adjudication Order EAD/2/SS-SK/2019-20/3148 in respect of JM Financial Institutions Securities Ltd, where it was held that on a preponderance of probability that Noticee had bona fide belief and that violation was caused on account of oversight and not deliberately, and thus did not call for penal consequences;

c. The Whole Time Member in the matter of Kotak Mahindra Asset Management Company, in order no WTM/AB/EFD-1/DRA- 4/8/2019-20 dated May 31, 2019, upheld the Adjudicating Officers views that imposition of penalty was not warranted in case of procedural, minor and non-serious violations of a circular.

d. Hon’ble SAT in case of DSE Financial Services Ltd vs. SEBI (dated 11.09.2012) quashed AO’s order imposing penalty for violations which were mostly technical or solitary instances, or for which corrective measures were taken. It was held that every discrepancy is not culpable and object could be achieved by making entity compliant.

e. Also, in the case of Piramal Enterprises Ltd vs. SEBI (Appeal no. 466 dt. 15 May 2019) Hon'ble SAT held that in case of an infraction of a rule and in view of the fact that till date there were no violations of SEBI Rules, remedial and not punitive measures, should be taken at the first instance.

xviii. The impugned SCN dated July 23, 2021, issued under Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Enquiry and Imposing Penalties) Rules 1995 has been issued on a stale matter, which took place more than 6 years ago in the year 2015, and it has not been issued within a reasonable time period, thus causing serious prejudice to the Noticee. In the present case the alleged infractions occurred in the March 2015. The Whole Time Member's Order dated August 20, 2015 records that SEBI had knowledge of the matter of illiquid options trading as on the date of the order, as a part of its ongoing surveillance and preliminary examination of the matter. Thus, the knowledge of these trades has been with SEBI for close to 7 years but the appointment of the Adjudicating Officer in Noticee's case has been made only on July 06, 2021, and the SCN has been issued on July 23, 2021 both after a period of 6 years. This delay of 6 years is solely on account of laxity on the part of the Regulator and this cannot be shielded on the ground that SEBI Act does not prescribe any limitation period for appointing Adjudicating Officer or for initiating action.

xix. Although there is no limitation period prescribed under SEBI Act 1992 or Securities and Exchange Board of India (Procedure for Holding Enquiry and Imposing Penalties) Rules 1995, it has been held in numerous Judgments that where the period of limitation to issue a notice is not prescribed under the relevant law such power must be exercised within a reasonable time. What is reasonable time would depend not only on the facts of each case but also from the nature of the statute, rights and liabilities there under and other relevant facts. The intent of the statute can be inferred from Regulation 18 of SEBI (Brokers and Sub Brokers) Regulations 1992, which requires that every Stock Broker shall preserve the Books of accounts and other records maintained under Regulation 17 for a minimum period of 5 years. No such period is prescribed for the clients but if Stock Brokers, who are subjected to much more stringent oversight are subjected to a limitation of 5 years for record keeping, then the inference is that the statute intended this period of 5 years to be the limitation period.

xx. Hon'ble SAT, while dealing with action of SEBI in charging brokers, had observed in its Order in February 2016 that SEBI should be taking action against the investors before holding the Trading Members responsible. More than 5 years and 5 months have passed even after passing of the said Order by Ld. Tribunal. There is nothing in the impugned notice about the reason for such inordinate delay in issuance of such notice, even though SEBI was in full knowledge of such alleged irregularity at least since before August 2015 and earlier.

xxi. Thus, the SCN deserves to be withdrawn as issued beyond a reasonable period. The inordinate delay in issuing SCN has caused prejudice to the Noticee as in the meanwhile valuable rights have accrued upon the Noticee.

9. Supplementary reply dated October 12, 2021: SCN relied upon only on the integrated trade log for the alleged violations by the Noticee. An enquiry of the role of the Trading Member is required to be done before proceeding further in the matter. And in such case the Noticee has submitted that she should be provided with the result of the enquiry as well as afforded an opportunity of cross examination of the Trading Member.

10. Vide hearing notice bearing ref. no. SEBI/OIA/AO/PB/2021/26143 dated September 28, 2021, an opportunity of hearing was granted to the Noticee on

October 12, 2021 (option was given to attend the hearing either virtually or physically). The hearing notice was sent to the Noticee through Speed Post with Acknowledgement Due (SPAD) as well as sent via e-mail to the available e-mail addresses of the Noticee and her representative. Adv. Anjali Agrawal, Authorized Representative (AR) of the Noticee, attended the hearing on the scheduled date and reiterated the submissions made vide replies dated August 20, 2021 and October 12, 2021. During the proceedings of hearing, the AR requested time till October 15, 2021 to make further submissions and the said request was acceded to.

11. Supplementary reply dated October 19, 2021: Vide reply dated October 19, 2021, the Noticee has further elaborated rationale for her buy transactions at the price levels of Rs.5.50 and Rs.5.05.

CONSIDERATION OF ISSUES AND FINDINGS

12. I have carefully perused the charges levelled against the Noticee, her replies and the documents/ material available on record. Before dealing with the issues on merit, I would deal with the issue of issuance of the SCN beyond a reasonable period, as has been raised by the Noticee. The Noticee has submitted that the SCN has been issued on a stale matter as there is a delay of more than six years in the initiation of the proceedings. She has also contended that this delay of 6 years is solely on account of laxity on the part of the Regulator and this cannot be shielded on the ground that SEBI Act does not prescribe any limitation period for appointing Adjudicating Officer or for initiating action. The inordinate delay in issuing SCN has caused prejudice to the Noticee as in the meanwhile valuable rights have accrued upon the Noticee. Thus, she has contended that the SCN deserves to be withdrawn.

13. I note that in the instant matter, SEBI has investigated large scale reversal of trades in stock options were entered into by large number of entities. As far as Noticee's transactions are concerned, the SCN provides adequate details of her trades. I also note that, on this aspect, in the matter of ***Pooja Vinay Jain***

vs SEBI [Appeal No. 152 of 2019 dated March 17, 2020], Hon'ble SAT has *inter alia* made the following observations–

"*12. The decision would show that the power to initiate the proceedings must be exercised by the authorities within a reasonable time. This would depend upon the facts and circumstances of the case, nature of the default / statute and prejudice caused to the noticee.*

13. In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same. Further, as explained by the learned counsel for the respondent as recorded in paragraph No. 6.4 above, large numbers of entities and transactions were analyzed by SEBI which took some time. In the result, the following order:-

ORDER

14. The appeal is hereby dismissed without any order as to costs."

I find that the aforementioned decision of the Hon'ble Tribunal is squarely applicable to the instant case. Accordingly, I don't find any merit in the plea of the Notice that delay in initiation of proceedings against the Noticee is unreasonable and has caused serious prejudice to the Noticee.

14. Now I would deal with the issues that arise for consideration in the present case are:

I. Whether the Noticee has violated provisions of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003?

II. Does the violation, if any, attract monetary penalty under section 15HA of the SEBI Act, 1992?

III. If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?

FINDINGS

15. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticee, I record my findings hereunder:

16. ***ISSUE I: Whether the Noticee has violated the provisions of Regulations 3 (a), 3(b), 3(c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations?***

16.1 Before proceeding further, I would like to refer to the relevant provisions of the PFUTP Regulations, 2003 as below:

"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;"

16.2 It has been alleged that the Noticee had indulged in execution of reversal of trades in Stock Options with same entity on the same day. Such trades are non-genuine in nature and have created false or misleading appearance of trading in terms of artificial volume in stock options and therefore alleged to be manipulative, deceptive in nature.

16.3 I note that reversal trades have been considered as those trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are non-genuine trades as they are not executed in normal course of trading, lacks basic trading rationale, and lead to false or misleading appearance of trading in terms of generation of artificial volume, hence are deceptive and manipulative. Artificial volume is considered to be the volume (no. of units) reversed in both legs of said reversal trades while keeping out the volume, if any, which is not reversed.

16.4 I shall now proceed to deal with the transactions executed by Noticee in the alleged non-genuine trades:

(i) I note from the table at para 7 above that while dealing in the contract of 'IDEA15APR185.00PEW1' on March 30, 2015, the Noticee engaged in reversal trades (altogether three trades, two on the buy side and one on the sell side), which led to generation of alleged artificial volume of 1,20,000 units (buy side + sell side). These trades of the Noticee involved reversal with the same counterparty on the same day, but at significantly different price.

(ii) At 10:57:20.922702 hrs, the Noticee placed a sell order for 60,000 units @ Rs.12.00 per unit. The sell order of the Noticee got executed against buy order placed by one 'Amit Bafna' at 11:12:19.160798 hrs at the same rate for equal quantity. Thereafter, at 12:35:15.097806 hrs, the Noticee placed a buy order for 36,000 units @ Rs.5.50 per unit, which got executed against the sell order from the same counterparty 'Amit Bafna' placed at that very second at 12:35:15.920787 hrs at the same rate and for equal quantity. At 14:42:13.089542, the Noticee placed another buy order for the balance 24,000 units @ Rs.5.05 per unit, which got executed against the sell order from the same counterparty 'Amit Bafna' placed within a second's time difference at 14:42:14.442939 hrs at the same rate and for equal quantity.

(iii) The order price, order quantity and order time (for two out of the three trades) were matched by both the parties.

(iv) The Noticee's trades generated artificial volume of 1,20,000 units, (buy side + sell side) which made up 100.00% of total market volume in the said contract on that day.

(v) Overall, the Noticee's trades contributed to 18.52% of volume in the said contract.

16.5 The buying of illiquid stock options by the Noticee and subsequent reversal trade with the same counterparty for the same quantity, within the same day with a significant difference in buy and sell value of stock options, where order time (for two out of the three trades), order price and order quantity were matched by both the parties for both legs of the reversal trade, in itself, exhibits abnormal market behaviour and defies economic rationality. While there were significant time difference between the buy order and the sell order for the first leg (Noticee's sell order for 60,000 units), which was executed at a higher rate, reversal of the position was undertaken through two-part trades at a considerably lower rate with exact matching of order time, rate and quantity. In case of the first leg of the reversal transactions, where there were significant time difference between the buy order and the sell order as noted earlier, it was the sell order (which was placed at a higher rate), which was placed first. Thus, entailing no risk to the Noticee. Also, even if the order rates were within the price range of the scrip, as contended by the Noticee, the exact matching of the order time, odd rates (Rs.5.50 and Rs.5.05 per unit) and quantity (36,000 units and 24,000 units), shows prior meeting of minds between the parties. I note from the above trading pattern of the Noticee that she has deliberately made blatant misuse of trading platform for creating artificial volume in the illiquid stock options.

16.6 The fact that the orders of the Noticee and the counterparty matched with such precision (considering that there was a perfect match of price, quantity and very close proximity of time) indicates a prior meeting of minds with a view to execute the reversal trades at a predetermined price. Since these trades were done in illiquid option contract, there was very little trading in the said contract (on the given date, the Noticee's trades contributed 100% of the volume) 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.

16.7 The Noticee has contended that the alleged trades were settled by the parties to their respective brokers, who cleared the same through the clearing corporation of BSE, and same was collected/ paid to respective clients by BSE through respective brokers. Also, BSE had collected transaction charges on these transactions, stamp duty was collected by State government through BSE, SEBI had collected turnover fees and the broker had collected his brokerage. Moreover, the volume was recorded by BSE and is part of historical data. Thus, the trading was not non-genuine or creating false or misleading appearance of trading, as the trades were acted upon by all the entities involved including the Regulatory bodies. In this regard I note that while the trading happened within the trading platform of BSE and paying requisite taxes/ fees/ charges, however, considering the precision at which the reversal transactions had taken place, the exact matching of price (with significant variations), time and quantity, I am of the view that it will be too naïve to hold that just because these transactions were executed through exchange trading platform, within the applicable limits, such trades were genuine. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order w.r.t. the transactions entered into by the Noticee with its counterparty and such reversal trading is clearly violative of the transparent norms of trading in the securities market. In view of the above observations, I hold that the said transactions executed by the Noticee in the said Stock Option contract were non-genuine trades, in which positions were reversed within the same day with prior meeting of mind between the parties to the trade.

16.8 Further, with respect to the reversal of trades carried out by the Noticee, I note that the Hon'ble Supreme Court in the matter of ***SEBI vs Rakhi Trading Private Ltd.***, in Civil appeals no., 1969 of 2011 decided on February 8, 2018 held 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 the PFUTP Regulations. The Apex Court also held 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."*

16.9 Additionally, the Hon'ble SAT in its judgment dated September 14, 2020 in the matter of ***Global Earth Properties and Developers Pvt. Ltd. vs SEBI*** (Appeal No. 212 of 2020) relied upon the aforesaid judgment of the Hon'ble Supreme Court and held that:

"…It is not a mere coincidence that the Appellants could match the trades with the counter party with whom he had undertaken the first leg of respective trade. In our opinion, the trades were non-genuine trades and even though direct evidence is not available in the instant case but in the peculiar facts and circumstances of the present case there is an irresistible inference that can be drawn that there was meeting of minds between the Appellants and the counter parties, and collusion with a view to trade at a predetermined price."

16.10 Keeping in mind the dicta of the Hon'ble Supreme Court as reproduced above; I see no reason to take a different view in the present case. In view of the foregoing, I hold that the Noticee had indulged in execution of reversal trades in Stock Options with same entity on the same day, which are non-genuine in nature and have created false or misleading appearance of trading in terms of artificial volumes.

16.11 I note that as far as the allegation against the Noticee is concerned, it's her reversal trade with specific counterparty which have been found to be non-genuine based on the precision at which the such reversal transactions had taken place, the significant price differential at which the orders were placed by both the parties to the trade, I am of the view that it is not a mere coincidence that Noticee could match her trades (with the corresponding price, quantity and time) with the same counterparty. It indicates meeting of minds. In this context, I would like to rely on the judgment of the Hon'ble Supreme Court of India in ***SEBI vs Kishore R Ajmera*** (AIR 2016 SC 1079), wherein it was 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 of India further held in the said case 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."*

16.12 In the instant matter, I note that though direct evidence regarding meeting of minds or collusion of the Noticee with the counterparty is not forthcoming, the trading behaviour of the Noticee, as detailed earlier, makes it clear that the aforesaid non-genuine trades could not have been possible without meeting of minds at some level. In this context, I deem it appropriate to refer to the order dated July 14, 2006 passed by Hon'ble SAT, in the case of ***Ketan Parekh vs SEBI*** (Appeal no. 2/2004), wherein, Hon'ble SAT has held 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."

16.13 Further, I would like to rely on the judgement of Hon'ble Supreme Court passed in the case of ***SEBI vs Rakhi Trading Private Ltd.*** (*supra)*, wherein the Apex Court held 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".* The Hon'ble Apex Court has also held that in the absence of direct proof of meeting of minds, the test should be one of preponderance of probability and also stated that the conclusion has to be gathered from various circumstances like volume of trade, period of persistence of trading, particulars of buy and sell orders, proximity of time between the two and such other relevant factors.

16.14 In line with the above judgements 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 reversal of 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 through non-genuine trades.

16.15 In this regard, I would also like to rely on the judgement of Hon'ble Supreme Court in the matter of ***SEBI vs Rakhi Trading Private Ltd.*** (*supra)*, wherein the Apex Court held that:

"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."

16.16 The observations made in the aforesaid judgments apply to the facts and circumstances of the present case. Therefore, applying the ratio of the above judgments, I am convinced that the execution of trades by the Noticee in the illiquid options segment with such precision in terms of order placement time, quantity and price and also the fact that the transactions were reversed with the same counterparty clearly indicates a prior meeting of mind with a view to execute the reversal trade at a pre-determined price. Such trading also involves an act amounting to manipulation of the price of the security in the sense that the price has been artificially and apparently prefixed. It is a transaction without any intention of performing it and without any intention of effecting a change of ownership of such securities, ownership here being understood in the limited sense of the rights in the contract. By synchronization and reversal trades, as has been carried out by the Noticee in the instant case, the price discovery system has been affected. Therefore, it has an adverse impact on the fairness, integrity and transparency of the stock market.

16.17 Therefore, I am inclined to note that the aforesaid trades of Noticee were non-genuine and have created false or misleading appearance of trading in terms of artificial volume in stock options and therefore the same are manipulative, deceptive in nature.

16.18 In view of above, I conclude that the Noticee had violated the provisions of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1) and 4 (2) (a) of PFUTP Regulations.

17. ***ISSUE - II: If yes, whether the Noticee is liable for monetary penalty under Section 15HA of the SEBI Act?***

17.1 Pursuant to detailed analysis as brought out above, it is established that the reversal trades entered into by the Noticee were not normal transactions and it clearly demonstrates beyond reasonable doubt that the Noticee had intentionally executed these trades and manipulated the volume by artificial trading pattern in the contract ‘IDEA15APR185.00PEW1’.

17.2 I am of the view that the misuse of stock options as shown above not only displays an unreal picture of market activity to other investors but also defeats the basic premise of screen based electronic trading system and price discovery mechanism by repeated execution of pre decided reversal trades at irrational/ arbitrary prices. Such activity deliberately or otherwise damages market integrity apart from presenting wrong picture of liquidity to gullible investors which could affect their trading/ investment decisions. The trading of the Noticee in the instant matter was abnormal and was clearly designed to create artificial volumes in the illiquid stock options, fail to justify any of the normal strategies of hedging/ speculation/ arbitrage. In my view, the abuse of such financial instruments cannot be tolerated and needs to be dealt with strictly. Accordingly, I find that the allegation of violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003 by the Noticee stands established.

17.3 The Hon'ble Supreme Court of India in the matter of ***SEBI vs Shri Ram Mutual Fund*** [2006] 68 SCL 216(SC) held that:-

"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…"

17.4 I find that the Noticee by indulging in execution of non-genuine reversal trades in Stock Options, had created artificial volume, leading to false and misleading appearance of trading in the illiquid stock options at BSE and therefore violated the provisions of Regulations 3 (a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) of the PFUTP Regulations. Accordingly, I am convinced that it is a fit case for imposition of monetary penalty on the Noticee under the provisions of section 15HA of the SEBI Act, 1992 which read as under.

"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".

18. ***ISSUE – III: If so, what quantum of monetary penalty should be imposed on the Noticee?***

While determining the quantum of monetary penalty under Section 15HA of the SEBI Act, I have considered the factors stipulated in Section 15-J of the SEBI Act, which reads as under:

"Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under section 15 - I, the Adjudicating Officer shall have due regard to the following factors, namely:

(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."

19. I observe that the SCN does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the losses, if any, suffered by the investors due to such violations on part of the said Noticee. However, it is worth considering that entities involved in these non-genuine trades have either booked gain or loss and the gain or loss appears to be of notional in nature. Generally, there is little or negligible participation of the public in the trading in illiquid stock option contracts. Hence, the impact of these non-genuine trade has not been considered. 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, I note that the Noticee had entered into non-genuine trades, which created an appearance of artificial trading volumes in respective contract at pre-meditated prices.

20. Considering, the facts of the matter as discussed earlier, I am of the view that imposition of minimum penalty as prescribed under Section 15HA of the SEBI Act would be commensurate for the present matter.

ORDER

21. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, I hereby impose following penalty under section 15HA of the SEBI Act, 1992 on the Noticee, for violation of the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 relating to securities market:

Name of the Noticee	**Violation provisions**	**Penalty**
Neha Maloo [**PAN: AKZPP8075D]**	Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003	**Rs.5,00,000/-** (Rupees Five Lakh only)

22. I am of the view that the said penalty is commensurate with the lapse/ omission on the part of the Noticee.

23. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of:

(i) Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, and the said DD should be forwarded to the Division Chief, Enforcement Department – 1 (EFD 1), Division of Regulatory Action – 4 (DRA 4), SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai – 400051. The Noticee shall provide the following details while forwarding DD/ payment information:

Sl. No.	Particulars	Details
1	Name of the Case / Matter	
2	Name and PAN of the Payee	
3	Date of Payment	
4	Amount Paid	
5	Transaction Number	
6	Bank Name and Account Number	
7	Purpose of Payment	Payment of penalty under AO proceedings

OR

(ii) Payment can also be made online by following the below path at SEBI website ***www.sebi.gov.in*** on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO →PAY NOW

24. 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.

25. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, a

copy of this order is being sent to the Noticee namely, **Neha Maloo** [PAN: AKZPP8075D] and also to the Securities and Exchange Board of India, Mumbai.

PRADIP BHOWMICK Digitally signed by PRADIP BHOWMICK Date: 2021.11.29 12:09:41 +05'30'

Date: November 29, 2021 **PRADIP BHOWMICK**

Place: Mumbai **ADJUDICATING OFFICER**