



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

By Speed Post A.D./ Email

DEPUTY GENERAL MANAGER &
ADJUDICATING OFFICER

SEBI/HO/IMD-II/DOF8/P/OW/2021/28407/1

October 13, 2021

RITA R THAKKAR, [PAN: AHEPT9061D]
13, DEEPA APARTMENT,
DR. R.P ROAD,
MULUND-WEST, MUMBAI,
MAHARASHTRA, 400080.
Email: ritathakkar0506@yahoo.com
M: 9825761305

Subject: Adjudication Proceedings in respect of RITA R THAKKAR, [PAN: AHEPT9061D] in the matter of dealings in Illiquid Stock Options at BSE: Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

1. Securities and Exchange Board of India (hereinafter, referred to as "SEBI") has initiated adjudication proceedings in respect of RITA R THAKKAR (hereinafter also referred to as "Noticee"), bearing PAN – AHEPT9061D for allegedly violating Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (hereinafter, referred to as "PFUTP Regulations, 2003"), in the matter of trading in illiquid stock options on the Bombay Stock Exchange Ltd. ("BSE").
1. The undersigned has been appointed as Adjudicating Officer, vide order dated September 20, 2021, to enquire into and adjudge under Section 15 I r/w Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "SEBI Act"), the alleged violations by the Noticee. A copy of the communiqué dated September 27, 2021 appointing the undersigned as Adjudicating Officer is placed at Annexure A.
2. As part of ongoing surveillance, SEBI came across large scale reversal of trades in Stock Options segment of the BSE. Subsequently, SEBI conducted an investigation into the trading activity in illiquid Stock Options at BSE (hereinafter, referred to as "investigation") for the period between April 1, 2014 to September 30, 2015 (hereinafter referred to as "Investigation Period").



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

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



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3. Pursuant to investigation, it was observed that during the investigation period, a total of 2,91,744 trades comprising 81.41% of all the trades executed in BSE Stock Options Segment were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. The reversal trades involved squaring off transactions, 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.
4. The 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 1 reversal trades in one unique contract, which led to generation of alleged artificial volume of 14250 units. These trades of the Noticee involved reversal with the same counterparty on the same day, but at different prices. Details of the trades of Noticee in Stock Options segment of BSE during the investigation period are given in **Annexure B** and details of all the reversal trades of the Noticee in Stock Option Segment of BSE during investigation period are given in **Annexure C**.
5. The trades entered by the Noticee were reversed on the same day with same counterparty at a substantial price difference without any basis for significant change in the contract price which indicates that these trades are artificial and non- genuine in nature.
6. A summary of dealings of Noticee in the One Stock Options contract in which the said Noticee allegedly executed reversal trade during the investigation period, is as follows: -

Summary of dealings in contract wherein the Noticee executed reversal trade

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 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	DIVI15APR1830.00CE	8	7125	36	7125	100%	50%

Note: "Unit" refers to lot size in contract multiplied by number of contracts traded.



Figure 1





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7. The abovementioned reversal trades and volumes are illustrated through the dealings of Noticee in the one contract viz during the investigation period, as follows:
- (a) During the investigation period, 2 trades for 14250 units were executed by the Noticee in the said contract on 31/03/2015.
 - (b) While dealing in the said contract on 31/03/2015, at 13:15:39 hrs the Noticee entered into a buy trade with counterparty Pushpanjali Intrade Pvt Ltd for 7125 units at Rs. 8 per unit. At 13:15:44 hrs the Noticee entered into a sell trade with the same counterparty, for 7125 units at Rs. 36 per unit.
 - (c) The Noticee's two trades while dealing in the abovementioned contract during the investigation period allegedly generated artificial volume of 14250 units, which constituted 50% of total market volume in the said contract during this period.
8. In view of the foregoing, it is alleged that Noticee, by indulging in execution of non-genuine reversal of trades in Stock Options with same entity on the same day, created false and misleading appearance of trading in stock options and therefore allegedly violated Regulation 3(a),(b),(c),(d), 4(1), 4(2)(a) of PFUTP Regulations, 2003.
9. The aforesaid alleged violation, if established, makes the Noticee liable for monetary penalty under section 15HA of the SEBI Act.
10. You are, therefore, called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred as "Adjudication Rules") read with section 15 I of the SEBI Act, and why penalty should not be imposed under section 15HA of the SEBI Act.
11. Your reply, if any, should reach the undersigned or through email at lambert@sebi.gov.in and utsav@sebi.gov.in within 21 days from the date of receipt of this Notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of sub-rule (7) of Rule 4 of the Adjudication Rules. You may also indicate whether you desire a personal hearing in the matter.
12. Further, you are required to keep the undersigned informed about the change in your correspondence address, if any, till the conclusion of the proceedings. You are also



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required to submit a photocopy of your PAN card and contact details viz. Telephone numbers / Fax numbers / e-mail IDs and details of contact persons for records.


Lamber Singh
Adjudicating Officer



Enclosures: Documents relied upon are as follows: -

Annexure	Copy of relevant documents enclosed with this SCN	No. of pages
A	Communique dated September 27, 2021 appointing Adjudicating Officer	1
B	Integrated trade log of all trades of Noticee in Stock Option segment of BSE during the investigation period i.e., April 1, 2014 to September 30, 2015	1
C	Integrated trade log of all reversal trades of Noticee in Stock Option segment of BSE during the investigation period	1



SECURITIES AND EXCHANGE BOARD OF INDIA
Order communicating appointment of Adjudicating Officer.

1. Whereas, Securities and Exchange Board of India (SEBI) has conducted examination into the trading in options on Individual stocks listed on Bombay Stock Exchange for possible violation of the provisions of the securities and Exchange Board of India Act, 1992 (hereinafter referred to as the 'SEBI Act') and various Rules and Regulations made there under.
2. Whereas, the Competent Authority is *prima facie* of the view that there are grounds to adjudicate upon the alleged violations of provisions of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 by certain entities.
3. The Competent Authority has, therefore, in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15 I(1) of the SEBI Act and Rule 3 of securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred as the 'SEBI Rules') read with section 19 of the SEBI Act, vide Order dated September 20, 2021, appointed certain Division Chiefs as Adjudicating Officers to enquire into and adjudge under Section 15HA SEBI Act, the alleged violations by the entities.
4. The list of the entities against whom adjudication is approved and the names of the respective Adjudicating Officers who are appointed to adjudicate against these entities is enclosed as Annexure.
5. The said proceedings of appointment are hereby being communicated to the Adjudicating Officers who shall conduct the Adjudication Proceedings in the manner specified under Rule 4 of the of the SEBI Rules read with sub-section (1) and (2) of Section 15 I of SEBI Act.



6. The Adjudicating Officers shall enquire into and adjudicate upon the alleged violation as stated above and if the Adjudicating Officers are satisfied that the entities have become liable for penalty, may impose penalty, as they think fit, in terms of Rule 5 of the SEBI Rules and provisions of Sections 15HA of the SEBI Act.

Dated at Mumbai, this 27th day September 2021.

Bhavana Ravikumar

BHAVANA RAVIKUMAR

GENERAL MANAGER

SECURITIES AND EXCHANGE BOARD OF INDIA

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S. No.	Case ID	Case Name	PAN Number	Entity Name	AO Name
2185	210016021	ISO of BSE-RITA R THAKKAR	AHEPT9061D	RITA R THAKKAR	Lamber Singh





Annexure B

TRADE_DATE	31/03/2015	31/03/2015
SCRIPCODE	840315	840315
PANNO	AAECP9024A	AHEPT9061D
CLIENTNAME	PUSHPANJALI INTRADE PVT LTD	RITA R THAKKAR
CP_PANNO	AHEPT9061D	AAECP9024A
CP_CLIENTNAME	RITA R THAKKAR	PUSHPANJALI INTRADE PVT LTD
ORDER_NO	1427787939833000004	1427787939833000001
CP_ORDER_NO	1427787939833000005	1427787939833000002
TRADEID	6512	8828
ORDER_TIME	13:15:44.643303	13:15:39.848088
CP_ORDER_TIME	13:15:44.648187	13:15:39.943042
TRADE_TIME	13:15:44.648187	13:15:39.943042
ORDER_LMTIME	13:15:44.643303	13:15:39.848088
CP_ORDER_LMTIME	13:15:44.648187	13:15:39.943042
TRADE_RATE	36	8
LTP_RATE		-28.0
LTP_PERCENT		-77.78
TRADE_VALUE	13295250.0	13095750.0
ORDER_RATE	36.0	8.0
CP_ORDER_RATE	36.0	8.0
ORDER_LMRATE	36.0	8.0
CP_ORDER_LMRATE	36.0	8.0
ORDER_LTP	36.0	
CP_ORDER_LTP	36.0	8.0
TRADED_QTY	7125	7125
ORDER_QTY	14250	7125
CP_ORDER_QTY	7125	14250
ORDER_AVLQTY	14250	7125
CP_ORDER_AVLQTY	7125	14250
ORDER_LMQTY	14250	7125
CP_ORDER_LMQTY	7125	14250
MEMBER_NO	6587	6551
MEMBER_NAME	CONCORD VINIMAY PVT. LTD.	GIRIRAJ STOCK BROKING PVT. LTD.
OLD_CLIENT		
MODIFIED_CLIENT	P062	R228
CP_MEMBER_NO	6551	6587
CP_MEMBER_NAME	GIRIRAJ STOCK BROKING PVT. LTD.	CONCORD VINIMAY PVT. LTD.
CP_OLD_CLIENT		
CP_MODIFIED_CLIENT	R228	P062
TERMINALID	902	902
USER_NAME	AMIT JAJODIA	Vinay Jajodia
LOCATION_ADDRESS	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007
CP_TERMINALID	902	902
CP_USER_NAME	Vinay Jajodia	AMIT JAJODIA



CP_LOCATION_ADDRESS	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000010001001012	7000070001001012
CP_LOCATIONID	7000070001001012	7000010001001012
SCRIPNAME	DIVI15APR1830.00CE	DIVI15APR1830.00CE
EXPIRY DATE	2015-04-30	2015-04-30
STRIKEPRICE	183000.0	183000.0
SERIES	EQD	EQD
MKT_TYPE	N	N
ISIN_NO		
RQTY	7125	7125



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