BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.- Order/AS/VC/2025-26/31365-31366]

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

In respect of:

Binit Agarwal (PAN: AMKPA6931A) and

Manas Taru Roy (PAN: AHEPR6586R)

In the matter of dealings in Illiquid Stocks Options at BSE

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**"), observed large scale reversal of trades in the Illiquid Stock Options (hereinafter referred to as "**ISO**") segment of Bombay Stock Exchange (hereinafter referred to as "**BSE**") leading to creation of artificial volume. Reversal trades are the trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy position with the same counter party. The said reversal trades are alleged to be non-genuine trades as they lack basic trading rationale and allegedly lead to false or misleading appearance of trading leading to generation of artificial volume. In view of the same, such reversal trades are alleged to be deceptive and manipulative in nature. On account of the same, SEBI conducted an investigation into the trading activities of certain entities in Illiquid Stock Options at BSE for the period April 1, 2014 to September 30, 2015 (hereinafter referred to as "**Investigation Period/IP**").

2. Pursuant to investigation by SEBI, it was observed that during IP, a total of 2,91,643 trades comprising substantial 81.38% of all the trades executed in Stock Options of BSE were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. The investigation revealed that 14,720 entities were involved in executing non-genuine trades in BSE's Stock Options segment during the investigation period. It was observed that Sanyukta Dealers Pvt Ltd (AAPCS4311L) (hereinafter also referred to as "**Company**") was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were alleged to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in stock options and therefore were alleged to be manipulative and deceptive in nature.

3. Since the name of Sanyukta Dealers Pvt. Ltd was struck off by Ministry of Corporate Affairs, adjudication proceedings were initiated against the Binit Agarwal (PAN: AMKPA6931A) and Manas Taru Roy (PAN: AHEPR6586R) (hereinafter referred to as the **"Noticees"**), being the directors of Sanyukta Dealers Pvt Ltd. during the relevant period, for alleged 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**").

APPOINTMENT OF ADJUDICATING OFFICER

4. SEBI appointed Mr. Mukul Shukla as Adjudicating Officer (AO) in the matter vide order dated January 20, 2023, under Section 19 read with Section 15-I of SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") to inquire and adjudge under section 15HA of SEBI Act. Pursuant to transfer of cases, the

undersigned was appointed as Adjudicating Officer in the matter vide order dated September 13, 2024.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Based on the findings by SEBI, Show Cause Notice dated January 20, 2023 (hereinafter referred to as "**SCN**") was issued to the Noticees under Rule 4(1) of Adjudication Rules to show cause as to why an inquiry should not be held and penalty should not be imposed on it for the alleged violations of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.

6. It was alleged in the SCN that Sanyukta Dealers Pvt. Ltd. indulged in reversal trades and details including the trade dates, name of the counterparties, time, price and volume etc. of the said reversal trade data was provided to the Noticees as Annexure to the SCN.

7. Vide Part B of the above referred SCN, Noticees were informed that SEBI introduced a Settlement Scheme i.e. SEBI Settlement Scheme, 2022 (hereinafter referred to as "**Settlement Scheme 2022**") in terms of Regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**"). It was further informed that the Settlement Scheme, 2022 provided a one time opportunity to the entities against whom proceedings had been initiated and appeals against the said proceedings are pending before any forum or authority. The scheme commenced from August 22, 2022 and closed on November 21, 2022. The SCN was served to the Noticees through Speed Post Acknowledgement Due (hereinafter referred to as **"SPAD"**). However, Noticees did not submit their response to the SCN.

8. Pursuant to that, vide public notice dated November 21, 2022, it was advertised/informed that "*Considering the interest of entities in availing the*

Scheme, the competent authority has extended the period of the Scheme till January 21, 2023".

9. It was observed that Noticees did not avail the Settlement Scheme 2022, in view of which, the adjudication proceeding against the Noticees were resumed.

10. In the interest of natural justice, vide notice of hearing dated June 01, 2023, Noticees were granted an opportunity of being heard on July 04, 2023. However, the Noticees did not avail the said opportunity of being heard.

11. Subsequently, a Post SCN Intimation (PSI) dated March 06, 2024, was issued on the Noticees wherein it was informed to the Noticees that SEBI introduced another Settlement Scheme i.e. SEBI Settlement Scheme, 2024 (hereinafter referred to as "**Settlement Scheme 2024**") in terms of Regulation 26 of Settlement Regulations. It was informed that the Settlement Scheme, 2024 provided opportunity to the entities against whom proceedings had been initiated and appeals against the said proceedings are pending before any forum or authority. The scheme commenced from March 11, 2024 to May 10, 2024.

12. Further, vide Public Notice dated May 08, 2024, the Settlement Scheme 2024 was extended till June 10, 2024 by SEBI.

13. It is observed that Noticees did not avail the Settlement Scheme 2024 and accordingly, the adjudication proceeding against the Noticees were resumed.

14. Since service of the SCN could not be ascertained from the material available on records, in terms of Rule 7 of Adjudication Rules, the SCN and Hearing Notice were served to the Noticees by way of publication in newspapers where the Noticees were last known to have resided. Therefore, the notice regarding issuance of SCN and Hearing Notice was published in the Times of India (English),

Aajkal (Hindi) and Sanmarg (Bengali) in the Kolkata editions on November 28, 2024. It was also published in the said newspaper publications that the SCN has been published / uploaded on www.sebi.gov.in under the section "Enforcement: Unserved Summons/ Notices" and Noticees were advised to submit their reply to the SCN within 14 days from the date of the said publication. However, Noticees did not furnish any response / reply to the SCN. Vide the said newspaper publication, an opportunity of personal hearing was also granted to the Noticees on December 02, 2024 in person at 'SEBI Bhavan II, C-7, G Block, BKC, Bandra (E) Mumbai 400051' or if Noticees so desire, through online platform. However, the Noticees also failed to appear for the scheduled hearing on December 02, 2024.

CONSIDERATION OF ISSUES AND EVIDENCE

15. I have carefully perused the charges levelled against the Noticees in the SCN and the material / documents available on record. In the instant matter, the following issues arise for consideration and determination:-

I. **Whether the Noticees have violated Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(a) of PFUTP Regulations?**

II. **Do the violations, if any, on the part of the Noticees attract monetary penalty under section 15HA of SEBI Act?**

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

16. Before proceeding further, I would like to refer to the relevant provisions of the PFUTP Regulations:

Relevant provisions of 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 recognised 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 recognised 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 recognised stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.

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;

Issue No. 1: Whether the Noticees have violated provisions of Regulations 3(a), (b), (c), (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations?

17. I note that sufficient opportunities have been provided to the Noticees to represent their case by way of reply to the SCN and also by way of personal hearing. However, it is a matter of record that Noticees have failed to furnish their replies to

the SCN and also failed to appear for personal hearing before the undersigned. Therefore, in the absence of reply to the SCN from Noticees and their failure to avail the opportunity of personal hearing for making any submission in response to the allegation levelled in the SCN, I am inclined to presume that the Noticees have nothing to offer in their defense and therefore, they have admitted to the allegations levelled against them in the SCN.

18. In this context, Hon'ble SAT in the matter of **Sanjay Kumar Tayal vs SEBI** (Appeal 68 of 2013), *vide* Order dated February 11, 2014 held that:

"appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted to the charges levelled against them in the show cause notice."

19. I also refer to the judgment of Hon'ble SAT dated December 08, 2006 in the matter of **Classic Credit Ltd. v SEBI** (Appeal No. 68 of 2003) wherein, it is observed that:

"… the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".

20. Further, the same position is reiterated by the Hon'ble SAT in the matter of ***Dave Harihar Kirtibhai Vs SEBI*** (Appeal No. 181 of 214 dated December 19, 2014), wherein the Hon'ble SAT observed as under:

"...further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non-receipt of notice and do not appear and/or submit reply to SCN but claim violation

of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal..."

21. In view of the aforesaid observations made by the Hon'ble SAT, I find no reason to take a different view and accordingly, I deem it appropriate to proceed against the Noticees ex-parte based on the material available before me.

22. I note that it is alleged that the Sanyukta Dealers Pvt. Ltd., while dealing in the stock option contract at BSE during the IP, had executed reversal trades which were allegedly non-genuine trades and the same had resulted in generation of artificial volume in stock option contract at BSE. Reversal trades are considered to be those trades in which an entity reverses it's buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are alleged to be non-genuine trades as they are not executed in the normal course of trading, lack basic trading rationale, lead to false or misleading appearance of trading in terms of generation of artificial volumes and hence, are deceptive and manipulative.

23. From the documents on record, I note that the Sanyukta Dealers Pvt. Ltd. was one of the entities who had indulged in creating artificial volume of 21,44,000 units through 2 non genuine reversal trades in 1 stock options contract during IP. The summary of trades is given below:

Contract name	Avg. buy rate (₹)	Total buy volume (no. of units)	Avg. sell rate (₹)	Total sell volume (no. of units)	% of Artificial volume generated by the Noticee in the contract to Noticee's Total volume in the contract	% of Artificial volume generated by the Noticee in the contract to Total volume in the contract
A	B	C	D	E	F	F
UCOB15MAR65.00PEW2	1.6	10,72,000	0.5	10,72,000	100%	93.71%

24. On February 19, 2015 at 12:10:49 hrs, Sanyukta Dealers Pvt. Ltd. entered into a buy trade of the contract named "UCOB15MAR65.00PEW2" with counterparty Evergrowing Iron & Finvest Private Limited for 10,72,000 units at the rate of Rs. 1.6 per unit. Within few seconds, at 12:10:54 hrs, Sanyukta Dealers Pvt. Ltd. entered into a sell trade for 10,72,000 units of same contract at the rate of Rs. 0.5 per unit with the same counterparty. It is noted that while dealing in the said contract during the IP, Company executed a total of 2 trades in 1 contract (1 buy trade and 1 sell trade) with same counterparty viz. Evergrowing Iron & Finvest Private Limited on the same day and with significant price difference in buy and sell rates. Thus, Company, through its dealing in the said contract during the IP, executed 2 non-genuine reversal trades and thereby, generated artificial volume of 21,44,000 units, which made up to 93.71% of the total market volume for this contract during the investigation period.

25. The non-genuineness of these transactions executed by Company is evident from the fact that there was no commercial basis as to why, within a short span of time, Company reversed the position with the same counterparty with significant price difference on the same day. The fact that the transactions in a particular contract

were reversed with the same counterparties indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. Since these trades were done in illiquid option contract, there was negligible trading in the said contract and hence, there was no price discovery in the strictest terms. The wide variation in prices of the said contract, 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 observed that Sanyukta Dealers Pvt. Ltd. had indulged in reversal trades with its counterparty in the stock options segment of BSE and the same were non-genuine trades.

26. It is also noted that it is not mere coincidence that Sanyukta Dealers Pvt. Ltd. could match its trades with the same counterparty with whom it had undertaken first leg of the respective trades. The fact that the transactions in a particular contract were reversed with the same counterparty for the same quantity of units, indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. It is further noted that direct evidence is not forthcoming in the present matter as regards to meeting of minds or collusion with other entities inter-alia the counterparties or agents/fronts. However, trading behaviour as noted above make it clear that aforesaid non-genuine trades could not have been possible without meeting of minds at some level.

27. Here I would like to rely on the following judgement of Hon'ble Supreme Court in **SEBI v Kishore R Ajmera** (AIR 2016 SC 1079), wherein it was held that:

> "...*According to us, 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 naïve to rest the final conclusions on the said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming...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.

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."

28. The observations made in the aforesaid judgment of Hon'ble Supreme Court apply with full force to the facts and circumstances of the present case. Therefore, applying the ratio of the above judgments, it is observed that the execution of trades by the Sanyukta Dealers Pvt. Ltd. in the illiquid options segment with such precision in terms of order placement, time, price, quantity etc. and also the fact that the transactions were reversed with the same counterparty clearly indicates a prior meeting of minds with a view to execute the reversal trades at a pre-

determined price. The only reason for the wide variation in prices of the same contract, within short span of time was a clear indication that there was pre-determination in the prices by both the counterparty when executing the trades. Thus, the nature of trading, as brought out above, clearly indicates an element of prior meeting of minds and therefore, a collusion of the Sanyukta Dealers Pvt. Ltd. with its counterparty to carry out the trades at pre - determined prices.

29. It is also relevant to refer to judgement of the Hon'ble Securities Appellate Tribunal in the matter of **Ketan Parekh vs SEBI** (in Appeal No. 2 of 2004; date of decision July 14, 2006):

> *"In other words, if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged. This, in our view, clearly flows from the plain language of Regulation 4 (a) of the Regulations."*

30. In this regard, reliance is placed on judgment of Hon'ble Supreme Court in the matter in respect of **SEBI v Rakhi Trading Private Limited,** Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011, decided on February 8, 2018 on similar factual situations, which *interalia* states that:

> *"Considering the reversal transactions, quantity, price and time and sale, parties being persistent in number of such trade transactions with huge price variations, it will be too naive 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….."

31. Therefore, the trading behaviour of the Sanyukta Dealers Pvt. Ltd. confirms that such trades were not normal, indicating that the trades executed by the it, were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in respective contract.

32. I note that the name of Sanyukta Dealers Pvt. Ltd. was struck off from the Registrar of Companies and it stands dissolved. A company being a juristic person owes its existence / legal status as a person to the certificate of incorporation issued to it. Once the name of the company is struck off from the register of the companies and a notification regarding the dissolution is published, then the legal status of such juristic person stands withdrawn or goes away and the company is as good as non est. Dissolution puts an end to the existence of the company as a corporate entity.

31. However, depending upon the circumstances of the case, it is sometimes necessary to lift the corporate veil and to examine the roles of the natural persons acting as directors in the company, who are actually guilty of the violations. In this case, although the company has been struck off, I find that the directors of Company are responsible for the commissions and omissions of the company, as they were the persons in charge of the company's affairs. Here, I would also like to quote the observations of the Hon'ble Supreme Court of India in the matter of ***Shri N. Narayanan vs. SEBI*** *[(2013) 12 SCC 152]* decided on April 26, 2013, wherein it was observed that -"... *Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of*

the company with utmost care, skill and diligence." Hence, in the instant case, although the proceedings against the company cannot be pursued, I find the directors liable for the acts of the company.

33. I note that the Noticees were directors of Sanyukta Dealers Pvt. Ltd. during the relevant period of time when the violations were committed by the Company. I refer Section 27(1) of SEBI Act, and Section 248(7) of the Companies Act, 2013, which provides as follows:

SEBI Act

Contravention by companies.

27. (1) *Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:*

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

Section 248(7) of the Companies Act

"The liability, if any, of every director, manager or other officer who was exercising any power of management, and of every member of the company dissolved under sub-section (5), shall continue and may be enforced as if the company had not been dissolved." However, the

liabilities of the directors of the company still continue even after the company is struck-off.

34. In view of the aforesaid, I note that the as per Section 27 of the SEBI Act read with Section 248(7) of Companies Act, 2013, directors of a company are vicariously liable for offenses committed by a company, as they were in charge of and responsible for the company's conduct. In the instant proceedings, Noticees being the directors of the Company during the relevant period and vicariously liable for the violations done by the Company. Therefore, I hold that the allegation of violation of regulations 3(a), (b), (c) and (d), 4(1), 4(2)(a) of PFUTP Regulations by the Noticees stands established.

Issue No. 2: Do the violations, if any, on the part of the Noticees attract monetary penalty under section 15HA of SEBI Act?

35. Considering the findings that the Sanyukta Dealers Pvt. Ltd. as mentioned above has executed non-genuine trades resulting in the creation of artificial volume, thereby Noticees violating the provisions of Regulation 3(a), (b), (c) & (d) & Regulation 4(1) and 4(2)(a) of the PFUTP Regulations and in terms of the judgement of Hon'ble Supreme Court of India in the matter of **SEBI Vs. Shriram Mutual Fund** [2006] 68 SCL 216 (SC) decided on May 23, 2006, wherein it was 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. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must made by the defaulter with guilty intention or not.",* I am

convinced that it is a fit case for imposition of monetary penalty under the provisions of Section 15 HA of SEBI Act which reads as under:

Penalty for Fraudulent and Unfair trade practices.

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

Issue No. 3: If so, what would be the quantum of monetary penalty that can be imposed on the Noticees after taking into consideration the factors mentioned in section 15J of the SEBI Act?

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

Factors to be taken into account while adjudging quantum of penalty.

15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or 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.

[Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.]

37. As established above, the trades by the Sanyukta Dealers Pvt. Ltd. were non-genuine in nature and created a misleading appearance of trading in the aforesaid contract. I note that 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. Further, the material available on record does not demonstrate any repetitive default on the part of the Noticees. However, considering that the 2 non-genuine trades entered by the Sanyukta Dealers Pvt. Ltd. in 1 contract led to creation of artificial trading volumes which had the effect of distorting the market mechanism in the Illiquid Stock Options segment of BSE, I find that the aforesaid violations were detrimental to the integrity of securities market and therefore, the quantum of penalty must be commensurate with the serious nature of the aforesaid violations. Noticees being the directors of the Sanyukta Dealers Pvt. Ltd. are responsible for the trades executed by the company and liable to pay the penalty.

ORDER

38. In view of the above, after considering all the facts and circumstances of the case and the factors mentioned in the provisions of Section 15J of the SEBI Act, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, conclude that the proceedings against the Noticees stands established in terms of the provisions of the SEBI Act. Hence, in view of the charges established under the provisions of the SEBI Act, I, hereby impose monetary penalty of **₹ 5,00,000/- (Rupees Five Lakh only**) on the Noticees (Binit Agarwal and Manas Taru Roy) jointly and severally under section 15HA of SEBI Act for the violation of Regulations 3(a), (b), (c) and (d), 4(1), 4(2)(a) of PFUTP Regulations. Noticees are jointly and severally liable to pay the said

penalty imposed on them. I am of the view that the said penalty is commensurate with the violations committed by Noticee.

39. The Noticees shall remit/pay the said amount of penalty within 45 days of receipt of this order in either of the way, such as by following the path at SEBI website www.sebi.gov.in:

ENFORCEMENT >Orders >Orders of AO> PAYNOW;

40. 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 for realization of the said amount of penalty along with interest thereon*, inter alia*, by attachment and sale of movable and immovable properties of Noticee.

41. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to SEBI.

ASHA SHETTY

Digitally signed by ASHA SHETTY
Date: 2025.04.04 12:43:40 +05'30'

Place: Mumbai **ASHA SHETTY**

Date: April 04, 2025 **ADJUDICATING OFFICER**