

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/KS/AS/2020-21/10147]

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

Sanjivani Multivit Herbal Products Ltd.

(now changed to Sanjivani Corporate Park Developers Ltd)

(PAN: AAJCS5770K)

In the matter of Trading in Illiquid Stock Options on 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 1, 2014 to September 30, 2015 (hereinafter referred to as "**IP**")

2. Pursuant to investigation, it was observed that total 2,91,643 trades comprising substantial 81.38% of all the trades executed in stock options segment of BSE during the IP were non genuine trades. The aforesaid non-genuine trades resulted into creation of artificial volume to the tune of 826.21 crore units or 54.68% of the total market volume in stock options segment of BSE during the IP. It was observed that Sanjivani Multivit Herbal Products Ltd. (hereinafter referred to as the “**Noticee**”) was one of the various entities which indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in stock options and therefore 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

3. The undersigned was appointed as the Adjudicating Officer vide order dated April 3, 2018, under section 19 read with section 15-I(1) of the Securities and Exchange Board of India 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

4. A Show Cause Notice dated September 21, 2018 (hereinafter referred to as ‘**SCN**’) 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 the Noticee and why penalty should not be imposed upon the Noticee under Section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by the Noticee.

5. It was *inter alia* alleged in the SCN that the Noticee had traded in 148 unique contracts, from which the Noticee executed 363 non genuine trades in 148 Stock Options contracts which resulted in artificial volume of total 1,47,74,570 units. The Noticee made a loss of approx. Rs. 4,67,54,966 by executing non genuine trades during the IP. Summary of dealings of the Noticee in 148 Stock Options contracts, in which the Noticee allegedly executed non genuine trades during the I.P, is as follows:

S. No.	Contract Name	Avg. Buy Rate (Rs.)	Total Buy Volume (No. of units)	Avg. Sell Rate	Total Sell Volume (No. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	ABNV15APR1650.00CEW1	11.85	20000	2.50	20000	100%	17%	100%	21%
2	ADEL15APR600.00CEW1	21.90	20000	12.50	20000	100%	25%	100%	29%
3	ADPW15APR30.00CEW1	24.50	16000	14.70	16000	100%	50%	100%	25%
4	ADPW15APR40.00CEW1	12.90	24000	7.50	24000	100%	100%	100%	100%
5	ADPW15APR65.00PEW2	19.50	24000	12.90	24000	100%	100%	100%	100%
6	ADPW15APR70.00PEW3	24.50	16000	13.90	16000	100%	50%	100%	20%
7	ALBK15APR120.00PEW2	19.60	10000	17.10	10000	100%	18%	100%	11%
8	ALBK15APR90.00CEW1	21.50	20000	15.30	20000	100%	33%	100%	33%
9	ANBK15APR60.00CEW2	27.50	20000	19.30	20000	100%	9%	100%	1%
10	ANBK15APR65.00CEW3	24.90	24000	13.50	24000	100%	33%	100%	38%
11	ANBK15APR90.00PEW1	14.70	24000	8.50	24000	100%	50%	100%	50%
12	ARVI15APR250.00CEW1	25.75	514000	16.08	514000	100%	44%	100%	55%
13	ARVI15APR260.00CEW1	23.90	20000	16.70	20000	100%	50%	100%	50%

14	ARVI15APR290.00PEW2	12.10	24000	2.90	24000	100%	100%	100%	100%
15	ARVI15APR300.00PEW2	19.20	24000	8.90	24000	100%	100%	100%	100%
16	AUPL15APR1200.00CE	42.50	15000	25.50	15000	100%	20%	100%	24%
17	AXIS15APR520.00PE	14.60	40000	11.00	40000	100%	100%	100%	100%
18	AXIS15APR540.00CE	27.00	40000	21.00	40000	100%	17%	100%	9%
19	AXIS15APR560.00PE	31.00	40000	25.00	40000	100%	12%	100%	20%
20	AXIS15APR580.00PE	50.00	40000	43.00	40000	100%	100%	100%	100%
21	AXIS15APR600.00CE	9.30	40000	5.50	40000	100%	33%	100%	23%
22	BAJT15APR2040.00CEW1	12.75	20000	3.00	20000	100%	14%	100%	18%
23	BHEL15APR230.00CEW1	28.90	25000	22.50	25000	100%	33%	100%	23%
24	BHEL15APR240.00CEW1	2.25	80000	0.30	80000	100%	13%	100%	19%
25	BHEL15APR270.00PEW2	19.20	24000	11.90	24000	100%	100%	100%	100%
26	BIOC15APR420.00CEW2	30.50	18000	22.10	18000	100%	100%	100%	100%
27	BIOC15APR450.00PEW1	13.90	23000	5.20	23000	100%	20%	100%	6%
28	BIOC15APR460.00PEW1	22.10	24000	11.20	24000	100%	100%	100%	100%
29	BOBL15APR160.00CEW1	14.20	37500	10.25	37500	100%	17%	100%	15%
30	BOBL15APR170.00CEW1	1.05	80000	0.15	80000	100%	10%	100%	18%
31	BOBL15APR180.00CEW1	2.95	38750	0.35	38750	100%	20%	100%	19%
32	CRGL15APR165.00CEW1	1.75	90000	0.30	90000	100%	17%	100%	29%
33	CRGL15APR185.00PEW1	29.20	238000	18.68	238000	100%	75%	100%	93%
34	DABU15APR270.00CEW1	5.95	75000	3.19	75000	100%	25%	100%	23%
35	DISH15APR80.00CEW1	0.80	264000	0.08	264000	100%	67%	100%	73%
36	DIVI15APR1800.00CEW1	28.95	15000	18.50	15000	100%	14%	100%	14%
37	DLFL15APR135.00CEW1	22.15	86000	14.80	86000	100%	19%	100%	12%
38	DLFL15APR160.00CEW1	4.58	90000	2.02	90000	100%	25%	100%	22%
39	DRRL15APR3450.00CEW1	74.25	10000	62.25	10000	100%	14%	100%	9%
40	ENGI15APR200.00CEW1	5.09	70000	2.16	70000	100%	29%	100%	22%
41	EXID15APR180.00CEW1	3.51	158000	1.04	158000	100%	33%	100%	20%
42	FEDB15APR115.00CEW1	18.10	62000	11.00	62000	100%	12%	100%	8%
43	FEDB15APR120.00CEW1	22.10	20000	13.90	20000	100%	13%	100%	4%
44	FEDB15APR125.00CEW3	21.10	20000	11.70	20000	100%	50%	100%	45%
45	FEDB15APR155.00PEW1	20.10	18000	12.90	18000	100%	50%	100%	47%
46	GAIL15APR360.00CEW1	27.60	226000	14.45	226000	100%	22%	100%	22%
47	GAIL15APR390.00CEW1	4.25	45000	0.85	45000	100%	13%	100%	13%
48	GAIL15APR400.00PEW1	24.00	151000	12.50	151000	100%	67%	100%	83%
49	GOIL15APR340.00CEW1	3.60	35035	1.00	35035	100%	20%	100%	21%
50	GRSM15APR3600.00CEW1	86.25	12000	71.25	12000	100%	20%	100%	19%
51	HAIL15APR310.00CEW1	7.76	133000	3.10	133000	100%	43%	100%	37%
52	HDBK15APR1050.00CEW1	20.08	37000	9.42	37000	100%	29%	100%	24%
53	HDFC15APR1350.00CEW1	23.55	15000	10.25	15000	100%	13%	100%	13%

54	HERO15APR2650.00CEW1	19.25	12500	8.25	12500	100%	14%	100%	11%
55	HNDL15APR115.00CEW1	19.90	20000	13.40	20000	100%	100%	100%	100%
56	HNDL15APR140.00CEW1	2.45	46000	0.25	46000	100%	33%	100%	23%
57	HNDL15APR150.00PEW1	22.90	24000	13.40	24000	100%	33%	100%	32%
58	HNZL15APR155.00CEW1	20.20	18000	11.90	18000	100%	33%	100%	28%
59	HNZL15APR165.00CEW1	2.76	156000	0.49	156000	100%	60%	100%	61%
60	HNZL15APR185.00PEW1	17.90	20000	8.70	20000	100%	50%	100%	50%
61	HNZL15APR190.00PEW2	20.90	24000	14.90	24000	100%	50%	100%	55%
62	HPCL15APR640.00CEW1	9.05	25000	4.15	25000	100%	13%	100%	11%
63	HULL15APR900.00CEW1	11.25	25000	5.55	25000	100%	14%	100%	13%
64	HXTL15APR270.00CEW1	4.92	90000	1.31	90000	100%	25%	100%	26%
65	HXTL15APR290.00CEW1	22.66	202000	11.95	202000	100%	100%	100%	100%
66	IBHF15APR560.00CEW1	7.91	60000	2.33	60000	100%	29%	100%	30%
67	IBRL15APR55.00CEW1	20.90	16000	12.65	16000	100%	15%	100%	4%
68	IBRL15APR90.00PEW1	21.90	20000	16.50	20000	100%	50%	100%	45%
69	ICIC15APR320.00CEW1	4.52	95000	1.32	95000	100%	25%	100%	26%
70	IDBI15APR90.00PEW1	24.97	276000	16.82	276000	100%	75%	100%	92%
71	IDEA15APR160.00CEW2	18.90	30000	12.90	30000	100%	33%	100%	39%
72	IDEA15APR170.00CEW1	3.97	76000	1.42	76000	100%	27%	100%	7%
73	IDEA15APR190.00PEW1	19.90	36000	14.20	36000	100%	33%	100%	29%
74	IDFC15APR170.00CEW1	2.00	36000	0.25	36000	100%	25%	100%	15%
75	IIBK15APR860.00CEW1	38.25	22000	29.75	22000	100%	50%	100%	59%
76	IIBK15APR860.00PEW1	4.90	15000	1.25	15000	100%	50%	100%	43%
77	IIBK15APR880.00CEW1	17.85	19000	10.25	19000	100%	50%	100%	49%
78	IIBK15APR880.00PEW1	10.90	18000	5.25	18000	100%	50%	100%	47%
79	IIBK15APR900.00PEW1	22.00	16000	15.25	16000	100%	100%	100%	100%
80	INCM15APR110.00PEW1	20.50	20000	12.10	20000	100%	33%	100%	33%
81	INCM15APR80.00CEW2	16.90	28000	10.50	28000	100%	50%	100%	58%
82	INFY15APR2250.00CEW1	20.75	30000	10.50	30000	100%	33%	100%	32%
83	ITCL15APR320.00CEW1	23.90	15000	13.90	15000	100%	100%	100%	100%
84	ITCL15APR330.00CEW1	6.00	35000	2.10	35000	100%	17%	100%	13%
85	ITCL15APR350.00PEW2	16.70	18000	8.50	18000	100%	33%	100%	18%
86	ITCL15APR360.00PEW2	23.90	14000	14.90	14000	100%	100%	100%	100%
87	JSPL15APR160.00CEW1	5.90	44000	2.30	44000	100%	20%	100%	20%
88	JSWL15APR920.00CEW1	17.00	15000	8.05	15000	100%	14%	100%	9%
89	KARB15APR105.00CEW2	26.90	22000	17.50	22000	100%	20%	100%	2%
90	KARB15APR140.00PEW1	17.10	20000	9.15	20000	100%	100%	100%	100%
91	KOTB15APR1350.00CEW1	17.15	20000	10.30	20000	100%	14%	100%	13%
92	LICH15APR450.00CEW1	7.60	48000	3.35	48000	100%	14%	100%	16%
93	LNTL15APR1680.00CEW1	28.00	15000	17.50	15000	100%	14%	100%	12%

94	LUPL15APR1950.00CEW1	23.41	33000	14.50	33000	100%	29%	100%	28%
95	MARU15APR3600.00CEW1	47.00	30000	34.78	30000	100%	22%	100%	16%
96	MARU15APR3650.00CE	78.00	20000	56.00	20000	100%	8%	100%	7%
97	MARU15APR3650.00PE	125.00	20000	105.25	20000	100%	9%	100%	7%
98	NTPC15APR150.00CEW1	3.82	110000	0.60	110000	100%	25%	100%	24%
99	OBNK15APR220.00CEW1	21.50	17000	11.90	17000	100%	50%	100%	25%
100	OBNK15APR225.00CEW1	4.95	48000	2.20	48000	100%	25%	100%	25%
101	OBNK15APR230.00CEW2	13.30	20000	5.50	20000	100%	100%	100%	100%
102	OBNK15APR250.00PEW3	17.70	15000	8.50	15000	100%	50%	100%	38%
103	PFCL15APR260.00CEW1	17.20	45000	13.25	45000	100%	29%	100%	17%
104	PFCL15APR260.00PEW1	2.95	49000	0.65	49000	100%	50%	100%	52%
105	PFCL15APR270.00CEW1	10.95	48000	7.30	48000	100%	50%	100%	56%
106	PFCL15APR270.00PEW1	6.00	41000	2.25	41000	100%	100%	100%	100%
107	PFCL15APR280.00CEW1	3.86	143000	1.09	143000	100%	33%	100%	30%
108	PFCL15APR280.00PEW1	10.20	42000	6.75	42000	100%	50%	100%	51%
109	PFCL15APR290.00CEW1	3.55	48000	1.35	48000	100%	50%	100%	52%
110	PFCL15APR290.00PEW1	18.90	48000	15.30	48000	100%	18%	100%	10%
111	PFCL15APR300.00CEW1	1.85	48000	0.10	48000	100%	100%	100%	100%
112	PGCL15APR150.00CEW1	2.40	60000	0.30	60000	100%	25%	100%	32%
113	PNBK15APR165.00CEW1	2.20	50000	0.20	50000	100%	17%	100%	19%
114	PNBK15APR165.00PEW1	19.55	307500	9.85	307500	100%	71%	100%	88%
115	RCAP15APR450.00CEW1	8.90	25000	2.30	25000	100%	10%	100%	7%
116	RECL15APR310.00PEW1	2.00	40000	0.25	40000	100%	50%	100%	47%
117	RECL15APR320.00CEW1	15.90	48000	11.25	48000	100%	14%	100%	23%
118	RECL15APR320.00PEW1	4.20	45000	1.15	45000	100%	50%	100%	56%
119	RECL15APR330.00CEW1	9.85	45000	6.25	45000	100%	33%	100%	43%
120	RECL15APR330.00PEW1	9.90	45000	6.60	45000	100%	50%	100%	54%
121	RECL15APR340.00CEW1	4.20	42000	2.05	42000	100%	25%	100%	24%
122	RECL15APR340.00PEW1	13.90	45000	9.00	45000	100%	50%	100%	52%
123	RECL15APR350.00CEW1	3.90	45000	0.60	45000	100%	50%	100%	53%
124	RECL15APR350.00PEW1	21.90	43000	18.10	43000	100%	17%	100%	9%
125	RLNF15APR430.00PEW2	19.00	50000	11.00	50000	100%	50%	100%	50%
126	SESA15APR195.00PEW2	7.00	50000	4.00	50000	100%	50%	100%	50%
127	SUNT15APR420.00PEW2	8.00	50000	2.50	50000	100%	50%	100%	50%
128	TAMO15APR540.00PEW2	13.30	50000	9.00	50000	100%	50%	100%	50%
129	TATP15APR100.00PEW1	22.10	16000	12.70	16000	100%	100%	100%	100%
130	TATP15APR60.00CEW2	24.90	24000	16.50	24000	100%	29%	100%	6%
131	TATP15APR65.00CEW2	20.70	16000	11.70	16000	100%	100%	100%	100%
132	TATP15APR70.00CEW3	15.20	20000	7.10	20000	100%	100%	100%	100%
133	TCHM15APR420.00PEW2	10.00	50000	4.00	50000	100%	50%	100%	50%

134	TGBL15APR150.00PEW2	4.00	80000	2.00	80000	100%	100%	100%	100%
135	TGBL15APR165.00PEW1	14.00	20000	9.50	20000	100%	100%	100%	100%
136	TITA15APR390.00PEW2	7.50	50000	3.00	50000	100%	50%	100%	50%
137	UPHL15APR420.00PEW2	8.25	50000	3.00	50000	100%	100%	100%	100%
138	WOCK15APR1890.00PEW2	54.00	20000	24.00	20000	100%	25%	100%	69%
139	YESB15APR800.00CEW1	39.85	20000	31.25	20000	100%	100%	100%	100%
140	YESB15APR820.00PEW1	14.00	22000	6.25	22000	100%	50%	100%	54%
141	YESB15APR840.00CEW1	14.00	15000	8.05	15000	100%	50%	100%	47%
142	YESB15APR840.00PEW1	20.90	20000	11.25	20000	100%	100%	100%	100%
143	YESB15APR860.00PEW1	35.75	18000	26.25	18000	100%	100%	100%	100%
144	YESB15APR880.00PEW1	51.90	20000	42.25	20000	100%	50%	100%	57%
145	ZEEL15APR340.00CEW2	30.50	18000	20.90	18000	100%	50%	100%	42%
146	ZEEL15APR350.00CEW1	18.50	15000	12.50	15000	100%	100%	100%	100%
147	ZEEL15APR380.00PEW2	17.50	15000	8.90	15000	100%	100%	100%	100%
148	ZEEL15APR390.00PEW3	31.20	16000	22.10	16000	100%	100%	100%	100%

6. From the above table, following was noted as regards to dealings of the Noticee:

- (a) The Noticee has executed non genuine trades in 148 contracts, wherein all trades of the Noticee in the said 148 contracts were non genuine trades.
- (b) No. of non-genuine trades of the Noticee has significantly contributed to the total no. of trades from the market in the above contracts, as 8% to 100% of the trades that happened in the aforementioned contracts were due to non-genuine trades executed by the Noticee.
- (c) A substantial 100% of volume generated by the Noticee in each of the above contracts was artificial volume, and further artificial volume generated by the Noticee also contributed to 1% to 100% of the total volume from the market in said contracts.
- (d) Non genuine trades executed by the Noticee in above contracts had significant differential in buy rates and sell rates considering that the trades were reversed on same day.

7. The SCN issued to the Noticee was sent via Speed Post Acknowledgement Due and via a digitally signed email. Thereafter, the Noticee, vide its email dated October 15, 2018 requested for additional time of four weeks for submitting reply to the SCN. Vide letter dated November 02, 2018, Noticee was granted time till November 12, 2018 for submitting reply to the SCN. Vide letter dated November 12, 2018, Noticee submitted the following:
1. *At the very threshold this is to inform you that the name of the company was changed from M/s Sanjivani Multivit Herbal Products Limited to M/s Sanjivani Corporate Park Developers Limited. Certificate issued by Ministry of Corporate Affairs, Government of India vide its certificate dated 03.07.2015 is annexed as Annexure -A1.*
 2. *Please refer to your goodself Show Cause Notice (hereinafter referred to as "SCN") dated September 21, 2018 was issued to us vide which we were called upon to show cause as to why an inquiry should not held against us in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (herein after referred to as the "Adjudicating Rules, 1995") read with Section 15I of the Securities Exchange Board of India Act, 1992 (hereinafter referred to as the "(SEBI Act, 1992)" and penalty be not imposed in terms of Rule 5 of Adjudicating Rules, 1995 and the provisions of Section 15HA of SEBI Act.*
 3. *At the very outset, we strongly deny the alleged violation of Regulation 3(a), (b), (c) and (d) and Regulation 4(1), 4(2) (a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations").*
 4. *It is most respectfully submitted herewith that the entire material gathered by your goodself from the investigation in the present matter has not been provided to us, due to which we are unable to provide a complete and effective defence. Therefore in terms of the principles of natural justice, we herewith request your goodself to provide us all the documents and*

information gathered by your goodself during the course of the investigation including the investigation report.

5. *In this matter we also wish to bring to the notice of your goodself the judgment of Hon'ble Supreme Court of India in the matter of Securities and Exchange Board of India v. Price Waterhouse (Civil Appeal No. 6003-6004/12), where the Hon'ble Supreme Court of India observed that, SEBI being a statutory authority is not at the liberty to withhold information, on the basis of what it has relied upon while preparing the SCN or otherwise and should allow a Noticee to inspect and take copies of all the information which it has collected during the course of investigation. For ready reference, the relevant part of the said judgment is reproduced herewith as under:*

“We direct, that all statements recorded during the course of investigation shall be provided to the respondents. We further direct, that all documents collected during investigation shall be permitted to be inspected by the respondents. The authors of such statements (recorded during investigation), which are to be relied upon (against the respondents), shall be offered for cross- examination to the respondents. Only thereupon, it will be permissible to rely upon the same.”...

6. *After this, Hon'ble Securities Appellate Tribunal made the following observations in the matter of Shri B. Ramalinga Raju v. SEBI (Appeal No. 286 of 2014 dated May 12, 2017):*

“There can be no dispute that while determining the rights and obligations of the parties the quasi-judicial authority must adhere to the principles of natural justice which inter alia, includes the obligation to furnish requisite documents on the basis of which charges are framed and permit cross-examination of the persons whose statements are relied upon.”

7. *It is further submitted herewith that in order to file our response in the matter we require the material / documents relied upon by your goodself while*

issuing the Notice, therefore we request you to provide the copies of all the material / documents relied upon by your goodself in the captioned matter including but not limited to the following documents viz:

- a. Copy of Investigation Report.*
 - b. Copy of the complete order log and trade log for the trades executed by us in all the scrips/ options during the period 01/04/2014 to 30/09/2015 in BSE.*
 - c. Complete details of the options in which we had traded during the period 01/04/2014 to 30/09/2015 in BSE.*
 - d. Price movement with time stamps in all the scrips in which trades have been executed by us during the period 01/04/2014 to 30/09/2015 in BSE.*
 - e. Our relationship with counter parties in the alleged transactions.*
 - f. Records/ recording of order placement by us with the concerned broker.*
 - g. Order book maintained by the Broker for us.*
 - h. Communication exchanged with the Income Tax Department.*
 - i. Any other documents/ material relied upon while issuing the SCN for the alleged violation in the captioned matter.*
 - j. File notings by which the action was approved in the instant matter.*
- 8. It is most respectfully submitted that, without the supply of the aforesaid documents/ materials and other evidences which were referred to and relied upon for the issuance of the Notice, it is impossible for us to put up an appropriate and complete defence and file a detailed reply to the allegations leveled against us in the said Notice.*
- 9. Further, we reserve our right to seek more documents/ materials as and when required during the course of proceedings.*
- 10. At the end, we request your goodself not to pass any order or take any decision in this matter before granting us an opportunity of oral/ personal hearing in this matter, otherwise it would be sheer violation of principles of natural justice.*

8. Vide letter dated December 03, 2018, the request made by Noticee vide letter dated November 12, 2018 for copies of certain documents in the matter was forwarded to the relevant department. Vide letter dated January 25, 2020, Noticee authorized Shri Ajay Kumar Agrawal, Advocate, to carry out inspection on their behalf. As per the records, Authorized representative (AR) of the Noticee carried out inspection of documents in the matter on January 30, 2020.
9. Vide letter dated February 03, 2020, Noticee was granted opportunity for personal hearing on February 27, 2020. Vide email dated February 26, 2020, Noticee requested for postponement of personal hearing due to ill health of AR of Noticee. Vide email dated March 02, 2020, Noticee was granted opportunity of personal hearing on March 12, 2020. Vide email dated March 11, 2020, Noticee requested for postponement of personal hearing due to inability of its representative to visit Mumbai. Vide email dated March 16, 2020, Noticee was granted opportunity of personal hearing on March 27, 2020. The hearing dated March 27, 2020 was postponed due to COVID pandemic. Vide letter dated April 22, 2020, and email dated April 22, 2020, Noticee was granted opportunity of personal hearing on May 11, 2020. Vide email dated May 09, 2020, Noticee was informed that the hearing dated May 11, 2020 was postponed due to COVID pandemic.
10. Vide letter dated June 19, 2020 and email dated June 24, 2020, Noticee was again granted opportunity of personal hearing on July 01, 2020. Vide email dated July 01, 2020, Noticee requested for postponement of the said personal hearing scheduled on July 01, 2020 as Noticee's AR was in home quarantine on account of coming in contact with a corona positive patient. Vide email dated July 02, 2020, Noticee's request for postponement of personal hearing was acceded to, and Noticee was granted another opportunity of personal hearing on July 27, 2020 at SEBI Northern Regional Office (NRO) at New Delhi or via video conferencing. Vide email dated July 27, 2020, Noticee requested

for postponement of personal hearing due to ill health of AR of the Noticee. Vide email dated July 27, 2020, Noticee was granted another opportunity of personal hearing on August 04, 2020 at SEBI NRO.

11. Vide email dated August 04, 2020, Noticee *interalia* submitted the following:

In this regard we hereby state that it has come to our knowledge that SEBI has come out with some settlement scheme, full details of which are still awaited. We have been advised very recently to go through the full details of such scheme and opt, if found suitable.

In the above circumstances you are herewith requested to adjourn the matter for four weeks to enable us to take a decision in this regard.

12. Vide letter dated September 04, 2020, Noticee was conveyed that no communication was received from Noticee after its aforementioned letter dated August 04, 2020, and that another opportunity of personal hearing was being granted to it on September 29, 2020 at SEBI NRO. Vide email dated September 29, 2020, Noticee submitted the following:

We are in receipt of your letter dated 04.09.2020 regarding the date fixed for hearing on 29.09.2020. Our representative Shri Ajay Kumar Agrawal had visited SEBI office in Mumbai on 30.01.2020 for inspection of documents and a CD was given to him.

In this regard we hereby state that it has come to our knowledge that SEBI has come out with some settlement scheme, which is open till 31st of October 2020. We are in consultation with our lawyers for the scheme. Therefore, the matter may be adjourned and fixed after 31st of October.

In the above circumstances you are herewith requested to adjourn the matter as above to enable us to take a decision in this regard.

13. The settlement division of SEBI was communicated about the aforementioned intimation from Noticee regarding its request for adjournment of personal

hearing as they were considering whether to pursue the option of 'One Time Settlement Scheme 2020', vide email dated October 05, 2020.

14. Subsequently, vide office note dated January 07, 2021, the Settlement Division of SEBI communicated the list of entities against whom adjudication proceedings were initiated and who did not avail of the Settlement Scheme, 2020, introduced vide public notice dated July 27, 2020, under Regulation 26 of the SEBI (Settlement Proceedings) Regulations, 2018 to provide a one-time settlement opportunity to all the entities against whom enforcement proceedings were approved in the matter of trade reversals in illiquid stock options segment at BSE. In this regard, it was noted that name of the Noticee appeared in the said list of the entities who had not availed of the scheme.
15. Vide letter dated January 14, 2021 and email dated January 14, 2021, final opportunity of personal hearing was granted to the Noticee on January 19, 2021.
16. Vide letter dated January 18, 2021 and email dated January 18, 2021, Noticee submitted the following:

We are in receipt of your above noted letter fixing date of hearing on 19.01.2021 i.e. tomorrow.

In this regard, we herewith state that we have received the above referred letter by speed post today only. Therefore, nothing could be done in regard to the date of hearing fixed for tomorrow. Under these circumstances, new date of hearing be fixed preferably in the first week of March 2021.
17. Vide email dated January 18, 2021, following was conveyed to the Noticee:

It is noted that Noticee viz. 'Sanjivani Corporate Park Developers Ltd.' has already taken several adjournments in the captioned subject matter. In this regard, you may note that no further request for adjournment of the hearing

scheduled tomorrow (i.e. January 19, 2021 at 03:00pm) will be entertained. Credentials for webex hearing is already sent to you through email ID anande@sebi.gov.in.

Please take note that if you fail to appear for the hearing on the aforementioned date, the matter shall be proceeded on the basis of the material available on record.

18. Vide email dated January 19, 2021, Noticee submitted the following:

Seen your email just now. As is stated earlier we are unable to attend this web hearing in such a short notice. Your letter was received to us only yesterday. If you could accommodate us on a date requested in our yesterday's letter, we would be able to participate in the hearing.

Please accommodate us keeping in view the principles of natural justice.

19. Vide email dated January 19, 2021, it was conveyed to the Noticee that no adjournment was possible in the matter. Further, Noticee did not avail the opportunity of personal hearing through webex platform (video conferencing) on scheduled date and time i.e. on January 19, 2021 at 03:00 pm. It is noted that the Noticee did not join the scheduled hearing via video conference even though the login credentials were duly received by it through email. The log report of the meeting is also on record.

20. I note that Noticee was granted several opportunities of hearing apart from acceding to its request for copies of documents. Noticee has also availed of inspection of relied upon documents. In view of above, I note that principle of natural justice has been complied with and I proceed to decide the matter on merits as per the available record.

CONSIDERATION OF ISSUES AND FINDINGS

21. I have carefully perused the charges levelled against the Noticee, its reply and the documents / material available on record. The issues that arise for consideration in the present case are :
- (a) Whether the Noticee has violated regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003?
 - (b) Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act, 1992?
 - (c) 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?
22. Before proceeding further, I would like to refer to the relevant provisions of the PFUTP Regulations, 2003 as below:

PFUTP Regulations, 2003

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;

23. I note that the allegation against the Noticee is that, while dealing in the stock option contracts at BSE during the IP, the Noticee had executed reversal trades which were allegedly non-genuine trades and the same have resulted in the generation of artificial volume in stock option contracts at BSE. Reversal trades are considered to be 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 alleged to be non-genuine trades as they are not executed in 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 & manipulative.
24. Noticee has *interalia* submitted that entire material gathered with regard to the investigation was not provided to it. I note in this regard that all material relied upon in the issuance of SCN in the matter had been provided to the Noticee, and that Noticee duly carried out inspection of the relied upon documents.
25. I note from the trade log of the Noticee that it had traded in 148 unique contracts in the stock options segment of BSE during the IP. It is observed that the Noticee had executed 363 non-genuine trades in 148 contracts. I further note that the above mentioned trades of the Noticee had resulted in the creation of artificial volume of a total of 1,47,74,570 units in the said 148

contracts and the said trades have also resulted in a close out difference of approximately Rs. 4,67,54,966 against the Noticee. Summary of non-genuine trades of Noticee is as follows:

S. No.	Contract Name	Avg. Buy Rate (Rs.)	Total Buy Volume (No. of units)	Avg. Sell Rate	Total Sell Volume (No. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	ABNV15APR1650.00CEW1	11.85	20000	2.50	20000	100%	17%	100%	21%
2	ADEL15APR600.00CEW1	21.90	20000	12.50	20000	100%	25%	100%	29%
3	ADPW15APR30.00CEW1	24.50	16000	14.70	16000	100%	50%	100%	25%
4	ADPW15APR40.00CEW1	12.90	24000	7.50	24000	100%	100%	100%	100%
5	ADPW15APR65.00PEW2	19.50	24000	12.90	24000	100%	100%	100%	100%
6	ADPW15APR70.00PEW3	24.50	16000	13.90	16000	100%	50%	100%	20%
7	ALBK15APR120.00PEW2	19.60	10000	17.10	10000	100%	18%	100%	11%
8	ALBK15APR90.00CEW1	21.50	20000	15.30	20000	100%	33%	100%	33%
9	ANBK15APR60.00CEW2	27.50	20000	19.30	20000	100%	9%	100%	1%
10	ANBK15APR65.00CEW3	24.90	24000	13.50	24000	100%	33%	100%	38%
11	ANBK15APR90.00PEW1	14.70	24000	8.50	24000	100%	50%	100%	50%
12	ARVI15APR250.00CEW1	25.75	514000	16.08	514000	100%	44%	100%	55%
13	ARVI15APR260.00CEW1	23.90	20000	16.70	20000	100%	50%	100%	50%
14	ARVI15APR290.00PEW2	12.10	24000	2.90	24000	100%	100%	100%	100%
15	ARVI15APR300.00PEW2	19.20	24000	8.90	24000	100%	100%	100%	100%
16	AUPL15APR1200.00CE	42.50	15000	25.50	15000	100%	20%	100%	24%
17	AXIS15APR520.00PE	14.60	40000	11.00	40000	100%	100%	100%	100%
18	AXIS15APR540.00CE	27.00	40000	21.00	40000	100%	17%	100%	9%
19	AXIS15APR560.00PE	31.00	40000	25.00	40000	100%	12%	100%	20%
20	AXIS15APR580.00PE	50.00	40000	43.00	40000	100%	100%	100%	100%
21	AXIS15APR600.00CE	9.30	40000	5.50	40000	100%	33%	100%	23%
22	BAJT15APR2040.00CEW1	12.75	20000	3.00	20000	100%	14%	100%	18%
23	BHEL15APR230.00CEW1	28.90	25000	22.50	25000	100%	33%	100%	23%
24	BHEL15APR240.00CEW1	2.25	80000	0.30	80000	100%	13%	100%	19%

25	BHEL15APR270.00PEW2	19.20	24000	11.90	24000	100%	100%	100%	100%
26	BIOC15APR420.00CEW2	30.50	18000	22.10	18000	100%	100%	100%	100%
27	BIOC15APR450.00PEW1	13.90	23000	5.20	23000	100%	20%	100%	6%
28	BIOC15APR460.00PEW1	22.10	24000	11.20	24000	100%	100%	100%	100%
29	BOBL15APR160.00CEW1	14.20	37500	10.25	37500	100%	17%	100%	15%
30	BOBL15APR170.00CEW1	1.05	80000	0.15	80000	100%	10%	100%	18%
31	BOBL15APR180.00CEW1	2.95	38750	0.35	38750	100%	20%	100%	19%
32	CRGL15APR165.00CEW1	1.75	90000	0.30	90000	100%	17%	100%	29%
33	CRGL15APR185.00PEW1	29.20	238000	18.68	238000	100%	75%	100%	93%
34	DABU15APR270.00CEW1	5.95	75000	3.19	75000	100%	25%	100%	23%
35	DISH15APR80.00CEW1	0.80	264000	0.08	264000	100%	67%	100%	73%
36	DIVI15APR1800.00CEW1	28.95	15000	18.50	15000	100%	14%	100%	14%
37	DLFL15APR135.00CEW1	22.15	86000	14.80	86000	100%	19%	100%	12%
38	DLFL15APR160.00CEW1	4.58	90000	2.02	90000	100%	25%	100%	22%
39	DRRL15APR3450.00CEW1	74.25	10000	62.25	10000	100%	14%	100%	9%
40	ENGI15APR200.00CEW1	5.09	70000	2.16	70000	100%	29%	100%	22%
41	EXID15APR180.00CEW1	3.51	158000	1.04	158000	100%	33%	100%	20%
42	FEDB15APR115.00CEW1	18.10	62000	11.00	62000	100%	12%	100%	8%
43	FEDB15APR120.00CEW1	22.10	20000	13.90	20000	100%	13%	100%	4%
44	FEDB15APR125.00CEW3	21.10	20000	11.70	20000	100%	50%	100%	45%
45	FEDB15APR155.00PEW1	20.10	18000	12.90	18000	100%	50%	100%	47%
46	GAIL15APR360.00CEW1	27.60	226000	14.45	226000	100%	22%	100%	22%
47	GAIL15APR390.00CEW1	4.25	45000	0.85	45000	100%	13%	100%	13%
48	GAIL15APR400.00PEW1	24.00	151000	12.50	151000	100%	67%	100%	83%
49	GOIL15APR340.00CEW1	3.60	35035	1.00	35035	100%	20%	100%	21%
50	GRSM15APR3600.00CEW1	86.25	12000	71.25	12000	100%	20%	100%	19%
51	HAIL15APR310.00CEW1	7.76	133000	3.10	133000	100%	43%	100%	37%
52	HDBK15APR1050.00CEW1	20.08	37000	9.42	37000	100%	29%	100%	24%
53	HDFC15APR1350.00CEW1	23.55	15000	10.25	15000	100%	13%	100%	13%
54	HERO15APR2650.00CEW1	19.25	12500	8.25	12500	100%	14%	100%	11%
55	HNDL15APR115.00CEW1	19.90	20000	13.40	20000	100%	100%	100%	100%
56	HNDL15APR140.00CEW1	2.45	46000	0.25	46000	100%	33%	100%	23%
57	HNDL15APR150.00PEW1	22.90	24000	13.40	24000	100%	33%	100%	32%
58	HNZL15APR155.00CEW1	20.20	18000	11.90	18000	100%	33%	100%	28%
59	HNZL15APR165.00CEW1	2.76	156000	0.49	156000	100%	60%	100%	61%
60	HNZL15APR185.00PEW1	17.90	20000	8.70	20000	100%	50%	100%	50%
61	HNZL15APR190.00PEW2	20.90	24000	14.90	24000	100%	50%	100%	55%
62	HPCL15APR640.00CEW1	9.05	25000	4.15	25000	100%	13%	100%	11%
63	HULL15APR900.00CEW1	11.25	25000	5.55	25000	100%	14%	100%	13%
64	HXTL15APR270.00CEW1	4.92	90000	1.31	90000	100%	25%	100%	26%

65	HXTL15APR290.00CEW1	22.66	202000	11.95	202000	100%	100%	100%	100%
66	IBHF15APR560.00CEW1	7.91	60000	2.33	60000	100%	29%	100%	30%
67	IBRL15APR55.00CEW1	20.90	16000	12.65	16000	100%	15%	100%	4%
68	IBRL15APR90.00PEW1	21.90	20000	16.50	20000	100%	50%	100%	45%
69	ICIC15APR320.00CEW1	4.52	95000	1.32	95000	100%	25%	100%	26%
70	IDBI15APR90.00PEW1	24.97	276000	16.82	276000	100%	75%	100%	92%
71	IDEA15APR160.00CEW2	18.90	30000	12.90	30000	100%	33%	100%	39%
72	IDEA15APR170.00CEW1	3.97	76000	1.42	76000	100%	27%	100%	7%
73	IDEA15APR190.00PEW1	19.90	36000	14.20	36000	100%	33%	100%	29%
74	IDFC15APR170.00CEW1	2.00	36000	0.25	36000	100%	25%	100%	15%
75	IIBK15APR860.00CEW1	38.25	22000	29.75	22000	100%	50%	100%	59%
76	IIBK15APR860.00PEW1	4.90	15000	1.25	15000	100%	50%	100%	43%
77	IIBK15APR880.00CEW1	17.85	19000	10.25	19000	100%	50%	100%	49%
78	IIBK15APR880.00PEW1	10.90	18000	5.25	18000	100%	50%	100%	47%
79	IIBK15APR900.00PEW1	22.00	16000	15.25	16000	100%	100%	100%	100%
80	INCM15APR110.00PEW1	20.50	20000	12.10	20000	100%	33%	100%	33%
81	INCM15APR80.00CEW2	16.90	28000	10.50	28000	100%	50%	100%	58%
82	INFY15APR2250.00CEW1	20.75	30000	10.50	30000	100%	33%	100%	32%
83	ITCL15APR320.00CEW1	23.90	15000	13.90	15000	100%	100%	100%	100%
84	ITCL15APR330.00CEW1	6.00	35000	2.10	35000	100%	17%	100%	13%
85	ITCL15APR350.00PEW2	16.70	18000	8.50	18000	100%	33%	100%	18%
86	ITCL15APR360.00PEW2	23.90	14000	14.90	14000	100%	100%	100%	100%
87	JSPL15APR160.00CEW1	5.90	44000	2.30	44000	100%	20%	100%	20%
88	JSWL15APR920.00CEW1	17.00	15000	8.05	15000	100%	14%	100%	9%
89	KARB15APR105.00CEW2	26.90	22000	17.50	22000	100%	20%	100%	2%
90	KARB15APR140.00PEW1	17.10	20000	9.15	20000	100%	100%	100%	100%
91	KOTB15APR1350.00CEW1	17.15	20000	10.30	20000	100%	14%	100%	13%
92	LICH15APR450.00CEW1	7.60	48000	3.35	48000	100%	14%	100%	16%
93	LNTL15APR1680.00CEW1	28.00	15000	17.50	15000	100%	14%	100%	12%
94	LUPL15APR1950.00CEW1	23.41	33000	14.50	33000	100%	29%	100%	28%
95	MARU15APR3600.00CEW1	47.00	30000	34.78	30000	100%	22%	100%	16%
96	MARU15APR3650.00CE	78.00	20000	56.00	20000	100%	8%	100%	7%
97	MARU15APR3650.00PE	125.00	20000	105.25	20000	100%	9%	100%	7%
98	NTPC15APR150.00CEW1	3.82	110000	0.60	110000	100%	25%	100%	24%
99	OBNK15APR220.00CEW1	21.50	17000	11.90	17000	100%	50%	100%	25%
100	OBNK15APR225.00CEW1	4.95	48000	2.20	48000	100%	25%	100%	25%
101	OBNK15APR230.00CEW2	13.30	20000	5.50	20000	100%	100%	100%	100%
102	OBNK15APR250.00PEW3	17.70	15000	8.50	15000	100%	50%	100%	38%
103	PFCL15APR260.00CEW1	17.20	45000	13.25	45000	100%	29%	100%	17%
104	PFCL15APR260.00PEW1	2.95	49000	0.65	49000	100%	50%	100%	52%

105	PFCL15APR270.00CEW1	10.95	48000	7.30	48000	100%	50%	100%	56%
106	PFCL15APR270.00PEW1	6.00	41000	2.25	41000	100%	100%	100%	100%
107	PFCL15APR280.00CEW1	3.86	143000	1.09	143000	100%	33%	100%	30%
108	PFCL15APR280.00PEW1	10.20	42000	6.75	42000	100%	50%	100%	51%
109	PFCL15APR290.00CEW1	3.55	48000	1.35	48000	100%	50%	100%	52%
110	PFCL15APR290.00PEW1	18.90	48000	15.30	48000	100%	18%	100%	10%
111	PFCL15APR300.00CEW1	1.85	48000	0.10	48000	100%	100%	100%	100%
112	PGCL15APR150.00CEW1	2.40	60000	0.30	60000	100%	25%	100%	32%
113	PNBK15APR165.00CEW1	2.20	50000	0.20	50000	100%	17%	100%	19%
114	PNBK15APR165.00PEW1	19.55	307500	9.85	307500	100%	71%	100%	88%
115	RCAP15APR450.00CEW1	8.90	25000	2.30	25000	100%	10%	100%	7%
116	RECL15APR310.00PEW1	2.00	40000	0.25	40000	100%	50%	100%	47%
117	RECL15APR320.00CEW1	15.90	48000	11.25	48000	100%	14%	100%	23%
118	RECL15APR320.00PEW1	4.20	45000	1.15	45000	100%	50%	100%	56%
119	RECL15APR330.00CEW1	9.85	45000	6.25	45000	100%	33%	100%	43%
120	RECL15APR330.00PEW1	9.90	45000	6.60	45000	100%	50%	100%	54%
121	RECL15APR340.00CEW1	4.20	42000	2.05	42000	100%	25%	100%	24%
122	RECL15APR340.00PEW1	13.90	45000	9.00	45000	100%	50%	100%	52%
123	RECL15APR350.00CEW1	3.90	45000	0.60	45000	100%	50%	100%	53%
124	RECL15APR350.00PEW1	21.90	43000	18.10	43000	100%	17%	100%	9%
125	RLNF15APR430.00PEW2	19.00	50000	11.00	50000	100%	50%	100%	50%
126	SESA15APR195.00PEW2	7.00	50000	4.00	50000	100%	50%	100%	50%
127	SUNT15APR420.00PEW2	8.00	50000	2.50	50000	100%	50%	100%	50%
128	TAMO15APR540.00PEW2	13.30	50000	9.00	50000	100%	50%	100%	50%
129	TATP15APR100.00PEW1	22.10	16000	12.70	16000	100%	100%	100%	100%
130	TATP15APR60.00CEW2	24.90	24000	16.50	24000	100%	29%	100%	6%
131	TATP15APR65.00CEW2	20.70	16000	11.70	16000	100%	100%	100%	100%
132	TATP15APR70.00CEW3	15.20	20000	7.10	20000	100%	100%	100%	100%
133	TCHM15APR420.00PEW2	10.00	50000	4.00	50000	100%	50%	100%	50%
134	TGBL15APR150.00PEW2	4.00	80000	2.00	80000	100%	100%	100%	100%
135	TGBL15APR165.00PEW1	14.00	20000	9.50	20000	100%	100%	100%	100%
136	TITA15APR390.00PEW2	7.50	50000	3.00	50000	100%	50%	100%	50%
137	UPHL15APR420.00PEW2	8.25	50000	3.00	50000	100%	100%	100%	100%
138	WOCK15APR1890.00PEW2	54.00	20000	24.00	20000	100%	25%	100%	69%
139	YESB15APR800.00CEW1	39.85	20000	31.25	20000	100%	100%	100%	100%
140	YESB15APR820.00PEW1	14.00	22000	6.25	22000	100%	50%	100%	54%
141	YESB15APR840.00CEW1	14.00	15000	8.05	15000	100%	50%	100%	47%
142	YESB15APR840.00PEW1	20.90	20000	11.25	20000	100%	100%	100%	100%
143	YESB15APR860.00PEW1	35.75	18000	26.25	18000	100%	100%	100%	100%
144	YESB15APR880.00PEW1	51.90	20000	42.25	20000	100%	50%	100%	57%

145	ZEEL15APR340.00CEW2	30.50	18000	20.90	18000	100%	50%	100%	42%
146	ZEEL15APR350.00CEW1	18.50	15000	12.50	15000	100%	100%	100%	100%
147	ZEEL15APR380.00PEW2	17.50	15000	8.90	15000	100%	100%	100%	100%
148	ZEEL15APR390.00PEW3	31.20	16000	22.10	16000	100%	100%	100%	100%

26. It is noted that the Noticee had executed non-genuine trades in 148 contracts, wherein percentage of non-genuine trades of the Noticee in stock options contracts to total trades in the contracts were in the range of 8% to 100%. Out of the said 148 contracts, the trades of the Noticee contributed to 100% of artificial volume in 30 contracts. Further, percentage of artificial volume generated by the Noticee in the contract to the total volume in the contract was in the range of 1% to 100%. Non-genuine trades executed by the Noticee in the above contracts had significant differential in buy rates and sell rates considering that the trades were reversed on same day.

27. I note from the trade log that the trades executed by the Noticee in a contract were squared up within a short span of time with its counterparties. To illustrate, the Noticee on March 19, 2015 at 14:18:18 hrs entered into 1 sell trade with counter party viz. Ashlar Commodities Pvt Ltd for 24,000 units at rate of Rs. 7.50 per unit in the contract "ADPW15APR40.00CEW1". Thereafter, on the same day, Noticee at 14:18:22 hrs entered into 1 buy trade with same counterparty for 24,000 units at the rate of Rs. 12.90 per unit in the same contract. It is noted that while dealing in the said contract during the I.P., the Noticee executed 2 reversal trades (1 buy trade + 1 sell trade) with same counterparty viz. Ashlar Commodities Pvt Ltd on the same day and with significant price differential in buy and sell rate. Thus, the Noticee, through its dealing in the contract viz. "ADPW15APR40.00CEW1" during the I.P., executed 2 non genuine trades which is 100% of the total trades from the market in the said contract during the I.P., and thereby, Noticee generated artificial volume of 48,000 units which is 100% of the volume traded in the said contract from the market during the I.P.

28. The non-genuineness of these transactions executed by the Noticee is evident from the fact that there was no commercial basis as to why, within a short span of time, the Noticee reversed the position with its counterparties with significant price difference. I note from the trade log of the Noticee that the time taken by the Noticee for reversing its non-genuine trades ranged from 4 seconds to 19 minutes & 19 seconds. Such a short span of time taken for reversing the trades in an illiquid stock option contract suggests the non-genuineness of these trades executed by the Noticee. The fact that the transactions in a particular contract were reversed with the same counterparties indicates a prior meeting of mind with a view to execute the reversal trades at a pre-determined price. Since these trades were done in illiquid option contracts, there was no trading in the said contract and hence, there was no price discovery in the strictest terms. The wide variation in prices of the said contracts, within a short span of time, is a clear indication that there was pre-determination in the prices by the counterparties while executing the trades. Thus, it is observed that Noticee had indulged in reversal trades with its counterparties in the stock options segment of BSE and the same were non-genuine trades.

29. I note that it is not mere coincidence that Noticee could match its trades with the same counterparties with whom it had undertaken first leg of the respective trades. This is the outcome of meeting of minds elsewhere and it was a deliberate attempt to deal in such a fashion. Here I would like to rely on the judgment of Hon'ble Supreme Court in SEBI v 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..."

30. The Hon'ble Supreme Court further observed in the same matter 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."*

31. I note that direct evidence is not forthcoming in the present matter as regards to meeting of minds or collusion of the Noticee with other entities. However, I note that the trading behaviour of the Noticee makes it clear that 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 Hon'ble SAT order dated July 14, 2006, in the case of Ketan Parekh vs. SEBI (Appeal no. 2/2004), wherein the Hon'ble SAT has observed that - *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

32. Further, I place my reliance on the 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), in which

the Hon'ble Supreme Court observed 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....."*

33. The trading behaviour of the Noticee confirms that such trades were not normal and wide variation in prices of the trades in the same contract in a short time without any basis for such wide variation, all indicate that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in respective contracts. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations by the Noticee stands established. 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..."*.

34. In view of the same, 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, which reads as under:

¹***[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 penalty²[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].

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

Factors to be taken into account by the adjudicating officer.

15J. 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.*

Explanation.—For the removal of doubts, it is clarified that the power of an adjudicating officer 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.

36. Though the records available before me does mention about amount of gain/loss of the entities involved in the non-genuine trades including the Noticee. However, it is worth considering that entities involved in these non-genuine trades have either booked gains or loss and the gains or loss appears to be of notional in nature. Generally, there is nil or negligible participation of the public in the trading in illiquid stock option contracts. Hence, the impact of

¹ Inserted by the SEBI (Amendment) Act, 2002, w.e.f.29-10-2002.

² Substituted for the words —twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher || by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014

these non-genuine trade has 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. The Noticee has entered into 363 non-genuine transactions in 148 stock option contracts which demonstrates the repetitive nature of the default on its part.

ORDER

37. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, 1992 and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, I hereby impose a penalty of Rs. 21,80,000 (Rupees Twenty-One lakh Eighty thousand only) on the Noticee viz. Sanjivani Multivit Herbal Products Ltd. under the provisions of Section 15HA of the SEBI Act, 1992. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.
38. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.
39. 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.

40. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee viz. Sanjivani Multivit Herbal Products Ltd. and also to the Securities and Exchange Board of India.

Date: January 21, 2021

Place: Mumbai

K SARAVANAN

ADJUDICATING OFFICER