

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S K MOHANTY, WHOLE TIME MEMBER

ORDER

**UNDER SECTIONS 11 AND 11B (1) OF THE SECURITIES AND EXCHANGE
BOARD OF INDIA ACT, 1992**

**In the matter of trading in Mentha Oil Contracts at Multi Commodity Exchange of
India**

In Respect of

Sl.	Name of the Entity	PAN
1.	North End Foods Marketing Pvt. Ltd. ("NEFM")	AABCN9927F
2.	Sandeep Sabharwal	AABPS4647J
3.	Neetu Gupta	AJOPG5806B
4.	Yash Gupta	BTKPG6004J
5.	Abhishek Agarwal	AIDPA1545K
6.	Vikram Gupta	AAOPG1467H
7.	Abhishek Mishra	APHPM6773J
8.	Shamugpriya International Pvt. Ltd. ("Shamugpriya")	AAYCS6149K
9.	Sita Ram (HUF) ("Sita Ram")	ABCHS8882F
10.	Reindus Tradeway Private Ltd. ("Reindus")	AAICR9376D
11.	Alok Kumar Singh	ACQPS1889K
12.	Fancos Trademart Private Ltd. ("Fancos")	AACCF8546P

Sl.	Name of the Entity	PAN
13.	Invictus Stock Research Private Ltd. ("Invictus")	AACCI4638M
14.	Virendra Kumar Jain	ABPPJ9524Q
15.	APMV Stocks & Commodities Private Ltd. ("APMV")	AAICA9644F
16.	Neeru Gupta	ADTPG9314M
17.	Shivrudra Infotech Solutions Private Ltd. ("Shivrudra")	AAXCS5373G
18.	A G Agri Mart Private Ltd. ("AG Agri")	AAJCA9398M
19.	Gaurav Gupta	ARLPG4012E
20.	Saurabh Kumar Vaish	AEHPV0866L
21.	Vimuk Enterprises ("Vimuk")	AANFV4919L
22.	Rapid Credit & Holdings Pvt. Ltd. ("Rapid")	AAACR0021K
23.	R. K. Commodities Services Pvt. Ltd. ("RCS")	AADCR3305H
24.	Rajendra Kumar Gupta	ADTPG0459K
25.	NavdeepVarshneya	ADFPV9839A
26.	Sundeeep Chadha	AAHPC9809N

(The entities mentioned above are individually known by their respective name or Noticee no. and collectively referred to as "Noticees")

1. An ex parte ad interim order dated February 28, 2019 (hereinafter referred to as "**Interim Order**") was passed by Securities and Exchange Board of India (hereinafter referred to "**SEBI**"), vide which the Noticees were restrained from buying, selling or dealing in securities market, either directly or indirectly or being associated with securities market, in any manner whatsoever, till further directions. The operative portion of the *ex-parte ad interim* order is extracted hereunder: -

"41. Therefore, in order to protect the interest of investors and the integrity of the securities market, I, in exercise of the powers conferred upon me section 11(1), 11(4) and 11B read with under Sections 19 of the SEBI Act, pending Investigation, by way of this ad-interim ex-parte order, restrain the following entities/ Noticees from buying, selling or dealing in the securities market, either directly or indirectly, or being associated with securities market, in any manner, whatsoever, till further directions:

42. It is further clarified that the existing holding of securities of the Noticees, including the units of mutual funds, shall remain frozen during the period of restraint.

43. The Order shall come into force with the immediate effect. The open positions, if any, of the above entities in derivatives shall be permitted to be squared off within a day of this order. Further, RCS, being a commodity broker, is permitted to square off its existing client open positions in commodity derivatives within a period of 15 days from this order."

2. It would be relevant here to deal in brief with the factual background of the case in which the aforesaid *interim* order had to be passed. SEBI received an email from the Multi Commodity Exchange of India Limited (hereinafter referred to as "MCX") stating that 3 entities/persons were holding more than 75% of the total exchange deliverable stock of Mentha Oil which have been stored in the exchange accredited warehouses. Mentha Oil is a commodity on which futures contracts are traded on the platform of MCX. The Exchange deliverable stock refers to those stock of Mentha Oil which conform to the quality specifications of Mentha Oil that have been prescribed in the contract design of the Mentha Oil futures that are traded on MCX trading platform. MCX further informed SEBI that the positions on Mentha futures contracts taken by those 03 entities were clubbed by the exchange as they were found to be connected to each other and also were receiving funds from a common entity, namely NEFM (Noticee no. 1), thereby trading as one group of entities on the Exchange. NEFM is a wholly-owned subsidiary of Sohanlal Commodity Management Private Limited (hereinafter referred to as "SLCM"), which also happened to be a former accredited Warehouse Service Provider of Mentha Oil to MCX. On further dipping

into the information and trade data furnished by the exchange it was observed that the entities acquired Mentha Oil through transactions in Mentha Oil futures contracts on exchange platform as well as by way of "off-market" transfers.

3. These 3 persons/entities have been labelled as Group 'A' entities in the interim order. It was also observed that NEFM, had directly or indirectly through its proxy entities, transferred more than ₹ 158.00 Crore to another set of entities comprising 13 entities/persons who have been named as Group 'B' entities in the *interim* order. These Group 'B' entities were also found to have taken delivery of Mentha Oil of around 822.96 MT worth of ₹ 132.00 Crore from the exchange during the examination period i.e. from December 2017 to August 2018. Thus, it was *prima facie* observed that almost entire delivery of Mentha Oil that the Group 'B' entities took from the exchange platform was funded by NEFM. It was further noticed that 10 out of these 13 Group 'B' entities had made off-market transfers of Mentha Oil of 490.74 MT to the Group 'A' entities between March 2018 and September 2018. As on February 26, 2019, the Group 'A' entities were found to be holding more than 81% of the total exchange deliverables stock of Mentha Oil in the exchange approved warehouses.
4. On the basis of fund transfers and other common identities, it was observed that all the entities/persons belonging to Group 'A' and Group 'B' as well as the Proxy entities were linked to NEFM, either directly or indirectly. All these entities / persons were observed *prima facie* to be connected and hence formed part of one single group (hereinafter referred to as "NEFM group") which were holding substantial quantity of Mentha Oil stock in the MCX accredited warehouses. Since the Group 'A' entities acting in concert with other entities including NEFM cornered a huge portion of deliverables stock of Mentha Oil by way of their exchange based transactions and also through off-market transactions, a serious apprehension was raised about the integrity of the Mentha Oil futures contract, since the major portion of the deliverables stock was found to be cornered by only one group of persons/entities. This was viewed as posing a serious risk to the functioning of Mentha Oil futures trading on the exchange platform and *prima facie*, it was viewed as leading to

monopolizing of the contract in a manner that the NEFM group would be in a position to artificially determine the prices thereby creating a possibility of distorting the price discovery mechanism of the futures contract in Mentha Oil on the exchange platform.

5. The facts and the data pertaining to trading in Mentha Oil futures by these connected entities and the details of fund flows and fund transfers amongst themselves (based on information received from MCX) as was available before me at the time of passing of *interim* order have been discussed in detail in the *interim* order. In view of the aforesaid facts and circumstances in which it was observed that the market integrity of trading in Mentha Oil futures contracts would be in serious danger because of monopolistic position held by the NEFM group entities over the stock of Mentha Oil, which was capable of manipulating the Mentha Oil futures contract and pricing thereof, the aforesaid *ad interim* order was passed *ex parte* in which the, Noticees were restrained from access to securities market.
6. The above *interim* order was assailed before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). The Hon'ble SAT having heard the counsel for the parties was pleased to acknowledge the power of SEBI to pass *ex parte interim* order. However, the Hon'ble SAT has found that in the facts of the matter, the passing of *ex parte interim* order was not warranted. Accordingly, the Hon'ble SAT vide its order dated March 12, 2019 has set aside the *interim* order *qua* the entities who had filed an appeal before SAT, being aggrieved with the directions issued under the interim order. The Hon'ble SAT, while setting aside the *interim* order has held that; -

"18. In the absence of in depth analysis based on evidence, we are of the opinion that in the facts and circumstances of the present case, it was not such an urgent case where the WTM should have exercised its powers. In our opinion, the respondent is empowered to pass an ex-parte interim order only in extreme urgent cases and that such power should be exercised sparingly. In the instant case, we do not find that any extreme urgent situation existed which warranted the respondent to pass an ex-parte

interim order. We are, thus, of the opinion that the impugned order is not sustainable in the eyes of law as it has been passed in gross violation of the principles of natural justice as embodied in Article 14 of the Constitution of India. Accordingly, the appellants are entitled to the reliefs claimed."

"20. Accordingly, the impugned order cannot be sustained and is quashed in so far as it relates to the appellants. The appellants will file their objections before the WTM on or before March 25, 2019. The respondent will provide the appellants an opportunity of hearing and thereafter if the respondent finds that an interim order is required to be passed in order to protect the securities market, it will pass such orders in accordance with law. We further make it clear that any finding or observation made by us is only tentative and will not influence the authority while deciding the matter."

7. It is noticed that out of the 26 Noticees against whom the afore-sated *interim* order was passed, 11 Noticees had approached the Hon'ble SAT against the said order, on the basis of which, the order dated March 12, 2019 was passed by the Hon'ble SAT. Subsequently, 08 more Noticees had also approached the Hon'ble SAT against the said *interim* order and the Hon'ble SAT vide separate order, allowed their appeals in the same lines of their earlier order passed on March 12, 2019. Thus, it is noticed that 7 Noticees viz; Vikram Gupta, Alok Kumar Singh, Fancos Trademart Private Ltd., Shivrudra Infotech Solutions Private Ltd., Gaurav Gupta, Saurabh Kumar Vaish and Vimuk Enterprises have not so far challenged the *interim* order before the Hon'ble SAT.
8. In compliance with the directions of the Hon'ble SAT, as cited above, the Noticees were granted opportunities of personal hearing, further permitted to inspect the documents as available with SEBI pertaining to the case and were also asked to make written submissions in their defense. Accordingly, the Noticees appeared for personal hearing and also submitted their written replies on various dates which have been indicated in the table below.

S. No.	Noticee	Date of Hearing	Date of Written Submissions	Additional Submissions filed post hearing
1.	North End Foods Marketing Pvt. Ltd. ("NEFM")	July 08, 2019	Reply dated March 25, 2019 received on March 26, 2019	Reply dated July 26, 2019 received on July 29, 2019
2.	Sandeep Sabharwal	July 08, 2019	Reply dated March 25, 2019 received on March 26, 2019	Reply dated July 26, 2019 received on July 29, 2019
3.	Neetu Gupta	August 02, 2019	Reply dated March 25, 2019 received on March 26, 2019	Reply dated August 14, 2019 received on August 16, 2019
4.	Yash Gupta	August 02, 2019	Reply dated March 25, 2019 received on March 26, 2019	Reply dated August 14, 2019 received on August 19, 2019
5.	Abhishek Agarwal	August 02, 2019	Reply dated March 25, 2019 received on March 26, 2019	Reply dated August 13, 2019 received on August 17, 2019
6.	Vikram Gupta	July 08, 2019	Reply dated March 27, 2019 received on March 30, 2019	Reply dated July 20, 2019 received on July 26, 2019
7.	Abhishek Mishra	July 09, 2019	Reply dated April 02, 2019 received on April 08, 2019 Reply dated May 10, 2019 received on May 13, 2019	Reply dated July 24, 2019 received on July 26, 2019
8.	Shamugpriya International Pvt. Ltd ("Shamugpriya")	July 08, 2019	Reply dated May 14, 2019 received on May 14, 2019	Reply dated July 25, 2019 received on August 03, 2019
9.	Sita Ram (HUF) ("Sita Ram")	July 09, 2019	Reply dated April 08, 2019 received on April 09, 2019	Reply dated July 24, 2019 received on August 01, 2019

S. No.	Noticee	Date of Hearing	Date of Written Submissions	Additional Submissions filed post hearing
			Reply dated May 13, 2019	
10.	Reindus Tradeway Private Ltd. ("Reindus")	July 08, 2019	Reply dated May 15, 2019 received on May 15, 2019	Reply dated August 07, 2019 received on August 19, 2019
11.	Alok Kumar Singh*	Did not appear for hearing	Reply dated June 11, 2019 received on June 18, 2019	N.A.
12.	Fancos Trademart Private Ltd. ("Fancos")	Did not appear for hearing	Did not submit any reply	N.A.
13.	Invictus Stock Research Private Ltd. ("Invictus")	July 09, 2019	Reply dated May 20, 2019 received on May 22, 2019	Reply dated August 01, 2019 received on August 07, 2019
14.	Virendra Kumar Jain	July 09, 2019	Reply dated March 23, 2019 received on April 08, 2019 Reply dated May 09 2019 received on May 13, 2019	Reply dated July 22, 2019 received on July 26, 2019
15.	APMV Stocks & Commodities Private Ltd. ("APMV")	Did not appear for hearing	Reply dated April 30, 2019 received on May 06, 2019	N.A.
16.	Neeru Gupta	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	
17.	ShivrudraInfotech Solutions Private Ltd. ("Shivrudra")	Did not appear for hearing	Did not submit the reply	N.A.
18.	A G Agri Mart Private Ltd. ("AG Agri")	Did not appear for hearing	Reply dated April 30, 2019 received on May 06, 2019	N.A.

S. No.	Noticee	Date of Hearing	Date of Written Submissions	Additional Submissions filed post hearing
19.	Gaurav Gupta	July 08, 2019	Reply dated March 27, 2019 received on March 30, 2019	Reply dated July 31, 2019 received on August 02, 2019
20.	Saurabh Kumar Vaish	July 08, 2019	Reply dated March 26, 2019 received on March 30, 2019	Reply dated July 20, 2019 received on July 25, 2019
21.	Vimuk Enterprises ("Vimuk")*	July 08, 2019	Reply dated May 28, 2019 received on May 30, 2019	Reply dated August 14, 2019 received on August 19, 2019
22.	Rapid Credit & Holdings Pvt. Ltd ("Rapid")	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	Reply dated July 26, 2019 received on August 01, 2019
23.	R. K. Commodities Services Pvt. Ltd. ("RCS")	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	Reply dated July 29, 2019 received on August 01, 2019
24.	Rajendra Kumar Gupta	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	Reply dated July 29, 2019 received on August 01, 2019
25.	Navdeep Varshneya	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	Reply dated July 29, 2019 received on August 01, 2019
26.	Sundeep Chadha	July 09, 2019	Reply dated March 20, 2019 received on March 25, 2019	Reply dated July 29, 2019 received on August 01, 2019

*Reply was submitted after the timeline provided in the interim order for submission of reply

9. All the Noticees who appeared before me were heard, and their written replies and submissions have been perused. The arguments made by the Noticees and the explanations offered by them have also been carefully considered. I find that all the

Noticees have presented their respective cases to justify their participation in Mentha Oil futures contracts and also to defend their position of holding the stock of Mentha Oil. The Noticees have alluded to their respective stand that their activities in the Mentha Oil futures were primarily driven by their nature of business and the purchases made by them and the stock held by them in the MCX accredited warehouses have been done as a part of their normal business activities. Similarly, they have claimed that the financial transactions and fund transfers that they had among themselves and also with NEFM directly or indirectly, were done in due course of their business. However most importantly I find that, in terms of materiality, none of the Noticees has been able to dispute the factual aspects of the case and the financial transactions, fund transfers and the stock positions that have been brought to light in the *ad interim* order.

10. There is no disagreement to the fact that NEFM, either directly or indirectly through proxy entities, transferred substantial amount of funds to the Group 'A' and Group 'B' entities between December 2017 and September 2018 and the said funds were used for trading in Mentha Oil futures. Similarly, neither the Group 'A' entities nor the Group 'B' entities has objected to the fact that there have been off-market transfers of exchange deliverable stock of Mentha Oil from Group 'B' to Group 'A' entities. The Group 'A' entities have not made any objection to the fact that as on February 26, 2019, they were holding about 203.18 MT of Mentha Oil stock which was around 81.75% of the total exchange deliverable stock that was available in the exchange approved warehouses. The Noticees have also not resisted to various funds transfers that have taken place amongst themselves as have been pointed out in the *interim* order. The Noticees have also not disputed to the fact that most of them have traded through a single commodity broker, namely RCS commodities, which was also having serious conflict of interest and close nexus with various Noticees who received funds from NEFM to trade in Mentha Oil futures. I also note that there is no disagreement with respect to the facts that majority of the entities were observed to have not traded earlier in Mentha Oil. Further, there is no dispute pertaining to the fixed monthly payment made to Group 'A' entities and certain proxy entities and

payment of warehouse rental charges at the behest of Group 'A' entities by NEFM. Thus, on the whole, I find that all the Noticees in their submissions both oral and written, have not disagreed with the fact that the entities who have been put in the Group of 'A' and Group 'B' category in the *interim* order were all funded by NEFM directly or indirectly through the proxy entities, and have traded in Mentha Oil contracts and have also carried out off market transfers of Mentha Oil stock on the basis of funding made by NEFM.

11. In addition to the above, it is observed from the submissions advanced by the Noticees, that except for NEFM none of the other Noticees was registered with any mandi for Mentha Oil and majority of them have appointed Jai Balaji Trading Company as their C&F Agent for off-market/physical market transactions in the Mentha Oil. Incidentally, the proprietor of this C&F agent is the father of Yash Gupta, a Group 'A' entity in the *interim* order. The above facts submitted by the Noticees raises further suspicion that the trades executed by these entities through the said C&F agent appears to have been executed at the behest of or under instructions from NEFM. While perusing the submissions of NEFM and of other Noticees, I notice certain glaring inconsistencies in the stands taken by them which need to be highlighted here. As an illustration, I note that NEFM has initially in its reply had admitted that it had procured stock of Mentha Oil from 5 entities viz. Invictus, Gaurav Gupta, Saurabh Kumar Vaish, Vimuk and Yash Gupta. However, in its written submission filed before me after the personal hearing, it has stated that Mentha Oil was procured by it from Invictus, Gaurav Gupta and Yash Gupta and thereby has preferred to remain silent about its transactions with Saurabh Kumar Vaish and Vimuk. Further, NEFM has claimed that it was not aware about the trading activities of entities of Group 'A' and Group 'B', especially with respect to their holding of Mentha Oil stock and trading in Mentha Oil futures, which have been highlighted in detail in *interim* order. However, on the contrary to such a claim, NEFM has not rebutted the fact that apart from giving funds to various entities directly and indirectly for procurement of Mentha Oil, it had also given funds for bearing the rental charges for storage of Mentha Oil stock in the MCX approved

warehouses. NEFM has also not disputed to the facts that it was paying fixed monthly payments to certain entities during the relevant period who were holding on to the stock of Mentha Oil. NEFM's claim that it was not aware about the clubbing of position limits by MCX with respect to the positions in Mentha Oil futures held by various entities of Group 'A' and Group 'B' remains highly questionable, since these entities were trading in Mentha Oil apparently with the funds provided by it to them and the same finds support from the fact that the warehouse rent for storing Mentha Oil by Group 'A' entities as well as monthly payment to certain entities was being paid by none other than NEFM. Moreover, as discussed in the *interim* order, MCX had reported that as soon as the positions of certain entities were clubbed, fresh positions in Mentha Oil futures were being taken by a new set of entities who were also found to be funded directly or indirectly through proxy entities by NEFM. Another instance of inconsistency is noticed in the submission of Group 'A' entities who have claimed that they were only providing handling and transportation services to NEFM whereas in reality, the stock of Mentha Oil in exchange approved warehouses were held in their names as owners, hence the claim made by them about providing only handling and transportation services does not conform to their actual transactions.

12. As I have pointed out earlier, none of the Noticees except for NEFM, possessed any mandi license to deal in trading of Mentha Oil, therefore, their arguments that they purchased and held stock Mentha Oil in their individual capacities as physical trader in Mentha Oil, does not hold ground. After perusing these replies and submissions of all the Noticees covered in the present proceedings, it is observed that all of them are, some way or other, tied up with each other through a common thread of their trading transactions, off-market transfers, and also fund transfers with respect to their purchase and sale of Mentha Oil. This factual position which was available at the time of passing of the *ex parte ad interim* order remains unchanged even at this stage of the proceedings. As observed in the beginning of this order, the aforesaid activities and the conduct of the Noticees gave rise to a *prima facie* suspicion, that all the Noticees had acted in an united manner and also in a concerted and collusive way to take huge

position in Mentha Oil futures on the exchange and at the same time to keep a huge physical stock of exchange deliverable Mentha Oil in the exchange approved warehouses by cornering the same from the market, thereby adversely threatening the integrity of trading in Mentha Oil futures contracts.

13. Under the circumstances, I find that, in terms of materiality, the factual details with respect to fund transfers, trading positions, clubbing of position limits, participation through RCS commodities, off-market transfers of Mentha Oil, and holding of exchange deliverable in Mentha Oil stock by the Group 'A' entities as on February 26, 2019, remain unchanged even after hearing the Noticees personally and also affording them opportunities for making their submissions with respect to their involvement in Mentha Oil futures contract.
14. I find the only way the Noticees have tried to differ from the findings made in the *interim* order is by arguing that they did not belong to any group nor did they act in concert with each other while dealing in the Mentha Oil. According to their explanations, they have traded in Mentha Oil futures and also have purchased Mentha Oil stock from the physical market in their respective individual capacities as commodity traders or agents on behalf of other principal commodity traders. However, such claim made by them deserved to be verified in detail and examined in depth during the ongoing investigation proceedings since the Noticees have not been able to furnish adequate supporting evidences to substantiate their claims before me.
15. In view of the fact, that, none of the Noticees has differed with the factual aspects of the case as have been observed in the *interim* order and have only tried to justify and defend their activities vis-à-vis the Mentha Oil futures and Mentha Oil stock by narrating their business activities and business needs etc., for the sake of brevity, I am not dealing with the submissions of each and every Noticee in detail at this stage. It is appropriate that their submissions and explanations are examined in detail during the investigation proceedings already initiated by SEBI, so as to ascertain the actual

role played by each of the Noticees or any other entities found during the course of investigation, based on which a final view can be taken in the matter. At this stage, I am required to confine myself to the specific directions of the Hon'ble SAT which states that after providing an opportunity of hearing to the Noticees, in case a need still exists to pass an *interim* order in order to protect the securities market, the same may be passed accordingly.

16. As stated earlier, the *ex-parte ad interim* order was passed in this case under compelling circumstances when it was observed that more than 80% of the exchange deliverable stock of Mentha Oil had been cornered by NEFM group through different Group 'A' and Group 'B' entities as discussed in the said order. Commodity derivative market, especially trading in Commodity futures on an underlying which has a very narrow market, would be extremely price sensitive if the underlying is dominated by any single or a few connected entities, as they would enjoy strong influential role in the price discovery process of the said underlying. As I understand, Mentha Oil is a narrow commodity which is produced in a small geographical pocket of Uttar Pradesh in India and unless the ownership of underlying is dispersed amongst all the stakeholders and value chain participants in a fair and equitable manner as per fundamentals of market forces, the basic objective of futures trading viz. price discovery and price risk management (hedging) would get seriously eroded. Therefore, if a single entity or a group of connected entities is found to be holding more than 80% of the exchange's specific deliverable stock, the intention of such entity or group of connected entities could be out rightly malicious and fraudulent so as to corner the physical stock with an ulterior motive to manipulate the price of Mentha oil futures. Confronted with such an apprehension and compelling threat to the integrity of the Mentha futures trading as triggered by the huge position holding in physical stock by the NEFM group, the impugned *interim* order was passed on February 28, 2019. However, after hearing the Noticees personally and examining their submissions and also from the records made available to me, I find that at this point of time the stock of Mentha Oil which was being held by the three Group 'A' entities in excess of the prescribed position limits,

have now been withdrawn / disposed of by them and is no more being possessed by any of the Noticees either individually or collectively, which could be viewed as an imminent threat to the market integrity of Mentha Oil futures or as detrimental to the larger interest of the market participants of the securities market. In the *interim* order, the cornering of excess stocks by the Noticees by acting in concert, was considered *prima facie* in violation of position limit prescribed by SEBI from time to time and was also considered as an act of fraud committed on other innocent investors. However, since the investigation is in progress and the submissions and explanations of the Noticees need to be properly examined and verified during the investigation, I would desist myself from making any observation or finding on the specific nature of violations and breaches, if any committed by the Noticees at this stage, which would be determined based on the outcome of the investigation. Accordingly, fresh proceedings can be initiated against the Noticees or any other entities depending upon the violations committed by them as may be found out during the investigation conducted by SEBI. However, as the ownership of the exchange deliverable stock of Mentha Oil is now observed to be no more monopolized or cornered by any of the Noticees, going by the directions of the Hon'ble SAT there seems to be no compelling reasons at present to issue any *interim* directions against the Noticees in order to protect the securities market. Therefore, the instant proceeding against the Noticees are disposed of without any further directions to them.

17. It is clarified that the direction issued vide *interim* order is in operation qua some of Noticees, who have not approached Hon'ble SAT and accordingly, the *interim* order was not set aside *qua* such Noticees. Nevertheless, as observed above, there being no imminent threat to the integrity of Mentha Oil futures consequent to the withdrawal / disposal of holding of stock of Mentha Oil by the Noticees, the directions so issued against those entities who even did not approach the Hon'ble SAT against the *interim* order, also stand revoked.
18. Accordingly, the instant proceedings are disposed of without issuance of any direction in the matter.

19. The Order shall come into force with the immediate effect. A copy of this order shall be forwarded to the Noticees, all the recognized stock exchange, depositories and registrar and transfer agents for ensuring compliance with the above directions.

-Sd-

Date: December 06, 2019

Place: Mumbai

**S. K. MOHANTY
WHOLE TIME MEMBER**