BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/JS/YK/2025-26/32155]

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:
Goldenmaple Commodities Private Limited
(PAN: AAJCS8332D)
In the matter of dealing in Illiquid Stocks Options on 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**") on BSE Ltd. (hereinafter referred to as "**BSE**") leading to creation of artificial volume. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in Illiquid Stock Options on BSE for the period starting from April 1, 2014 to September 30, 2015 (hereinafter referred to as "**Investigation Period/IP**").

2. Investigation by SEBI revealed that during the IP, a total of 2,91,643 trades comprising 81.38% of all the trades executed in stock options segment of BSE were trades involving reversal of buy and sell positions by the clients and counterparties in a contract. In these trades, entities reversed their buy or sell position in a contract with subsequent sell or buy position with the same counter party. These reversal trades were alleged to be non-genuine as they lacked basic

trading rationale and allegedly portrayed false or misleading appearance of trading leading to creation of artificial volume in those contracts. In view of the same, such reversal trades were alleged to be deceptive and manipulative in nature.

3. During the IP, 14,720 entities were found to have executed non-genuine trades in BSE's stock options segment. It was observed that Goldenmaple Commodities Private Limited (hereinafter referred to as the **"Noticee"**) was one of the entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Noticee trades were alleged to be non-genuine in nature which created false or misleading appearance of trading in terms of artificial volumes in stock options. Therefore, Noticee's trades were alleged to be manipulative and deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee 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. Pursuant to transfer to the case from erstwhile Adjudicating Officer (hereinafter referred to as "**AO**"), the undersigned was appointed as AO in the matter vide communiqué dated April 04, 2025, under section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the **"SEBI Act**") read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"Rules"**), to inquire into and adjudge under the provisions of section 15HA of the SEBI Act for the alleged violations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Based on the findings by SEBI, a Show Cause Notice dated September 16, 2021 (hereinafter referred to as "**SCN**") was issued by erstwhile AO to the Noticee under rule 4(1) of Rules to show cause as to why an inquiry should not be held and

penalty, if any, should not be imposed upon 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 the Noticee had entered into reversal and non-genuine trades and details of the trades including the trade dates, name of the counterparties, time, price and volume, etc., were provided to the Noticee as Annexure to the SCN.

7. The SCN was issued through e-mail and Speed Post Acknowledgement Due (SPAD). However, the SCN issued through SPAD returned undelivered. Therefore, in terms of rule 7(3) of the Rules, the SCN and hearing notice was served upon the Noticee by way of publication in newspapers where the registered office of the Noticee was located. The notice regarding issuance of SCN was published in the following manner on February 15, 2022:

Table 1

Newspaper Edition	**English Newspaper**	**Hindi Newspaper**
Delhi	The Times of India	The Economic Times

8. The aforesaid newspaper publications gave notice of issuance of the SCN and Noticee was advised to download the soft copies of the said SCN from the SEBI website. Noticee was also informed through the publication that, in the interest of natural justice, an opportunity for a personal hearing was granted to it on March 03, 2022. It was mentioned in the said publication that in case Noticee fails to submit its reply to the aforesaid SCN and/or fails to avail the opportunity of a personal hearing within the given date/time, the AO would proceed further on the basis of material available on record. However, the Noticee neither submitted any reply nor appeared for the hearing.

9. Subsequently, a Post SCN Intimation (hereinafter referred to as **"PSI"**) dated August 10, 2022, was issued to the Noticee by erstwhile AO wherein it was stated that SEBI had 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 informed that the Settlement Scheme 2022 provides a one-time opportunity to the entities against whom proceedings were initiated and appeals against the said proceedings were pending. The scheme commenced from August 22, 2022 and remained open for a period of three months. Later, the applicable period of the Settlement Scheme 2022 was extended to January 21, 2023 by SEBI.

10. It was observed that Noticee did not avail the Settlement Scheme 2022 and accordingly, the adjudication proceedings against the Noticee were resumed. Noticee was provided one more opportunity of hearing before the erstwhile AO on May 31, 2023. The said hearing notice was issued to Noticee through e-mail and SPAD. However, the notice issued through SPAD returned undelivered with the remark, "Addressee left without instructions".

11. Thereafter, a second PSI dated March 06, 2024, was issued to the Noticee by erstwhile AO wherein it was stated that SEBI had offered another Settlement Scheme, i.e., SEBI Settlement Scheme, 2024 (hereinafter referred to as "**Settlement Scheme 2024**") in terms of regulation 26 of Settlement Regulations. The applicable period of the said scheme was March 11, 2024 to May 10, 2024. Later, the applicable period of the Settlement Scheme 2024 was extended to June 10, 2024 by SEBI.

12. It is observed that Noticee did not avail the Settlement Scheme 2024 and accordingly, the adjudication proceedings against the Noticee were resumed.

13. Pursuant to the appointment of the undersigned as AO, the Noticee was granted an opportunity of hearing on January 19, 2026. The digitally signed hearing notice were served upon Noticee through e-mail dated January 02, 2026 at the e-mail IDs: sanXXXcap@gmail.com; sanXXXra@kispl.co.in; rupXXX055@gmail.com. The notice was also issued through SPAD at the registered address of the Noticee, i.e., E-4374, Sector 11, Rajaji Puram, Avas Vikas Colony, Lucknow – 226 017. However, the same returned undelivered with the remark, "Left".

14. The authorized representative (AR) of Noticee vide e-mail dated January 05, 2026 submitted its reply. The relevant extracts of Noticee's reply are as follows:

(a.) *No Membership with NSE / BSE (Equity & Derivatives Segment: Noticee has never been a member of NSE or BSE in the Equity Derivatives / Stock Options segment. Noticee was only registered as a member of MCX (Multi Commodity Exchange).*

(b.) *MCX Membership Deactivated Since April 2020: MCX membership of Noticee has been deactivated since April 2020 and no trading activities whether proprietary or client-based have been undertaken thereafter.*

(c.) *No Trading in Stock Options / Illiquid Options Contracts: As per internal records, trade logs, and compliance documentation, Noticee have not executed any trades in stock options, not participated in any illiquid stock option contracts and not carried out any trades on BSE in any capacity.*

(d.) *No Client-Level or Proprietary Trades: Neither proprietary trades nor client trades were carried out by Noticee in stock options or ISO contracts during the period under reference.*

(e.) *Possible Erroneous Attribution: Inclusion of Noticee's name in the said proceedings may be due to clerical or data-mapping error or mistaken identity with a similarly named entity, if any.*

15. Thereafter, AR of Noticee, viz., Mr. Sanjay Mishra appeared for the hearing on January 19, 2026 and reiterated the submissions made vide e-mail dated January 05, 2026. AR further submitted that the Noticee had not opened any trading account with Ashlar Securities Private Limited. It was also submitted that the Noticee is in the process of winding up its operations and the Noticee is not

operating from its registered address. In view of the same, the AR was advised to submit the current address of the Noticee. However, AR has not submitted current address of the Noticee till date.

16. Since the Noticee contended that it had no demat or trading account with “Ashlar Securities Private Limited” during the relevant investigation period, information in this regard was sought from the concerned stock exchange. In this respect, the stock exchange provided a copy of the Know Your Customer (KYC) application form of the Noticee filed with the Ashlar Securities Private Limited. The same was provided to Noticee vide e-mail dated February 25, 2026 and the Noticee was advised to file additional submissions, if any, within a period of three days. Accordingly, vide e-mail dated February 25, 2026, AR of Noticee filed its additional submissions as under:

(a.)Denial of Account Operation / Trading Activity: As per records and knowledge, Noticee have never operated nor placed any trades through the alleged demat/trading account with Ashlar Securities Private Limited during the relevant investigation period. No trading instructions were ever placed by Noticee.

(b.)Record Retention – The matter pertains to transactions alleged to have taken place approximately 12 years ago. As per applicable regulatory provisions under the SEBI (Stock Brokers) Regulations, 1992, read with relevant SEBI circulars and exchange bye-laws, stock brokers are required to preserve books of accounts, records, and documents generally for a period of 5 years (and in certain cases up to 8 years, if proceedings are pending). Considering the substantial lapse of time (more than 12 years), the Noticee does not possess or is not legally obligated to maintain personal trading-related records beyond the prescribed statutory period.

(c.)Non-Availability of Co-Noticee - It is respectfully submitted that Mr. Naresh Sharma, who is stated to be connected in the matter, is no more. Therefore, no clarification can be sought from him.

(d.)Non-Directorship Status - Further, the AR is not a director in the said company at present. He has no current association or control in the said entity.

(e.)Request for Verification from Broker - In the interest of justice and for proper verification of facts, it is humbly requested that Call records, recorded

telephonic instructions (if any), Client master details, IP logs, order placement logs, Contract notes and proof of delivery thereof, Bank ledger reflecting fund flow and KYC in-person verification records be obtained directly from the concerned broker and stock exchange to establish whether any genuine authorization or trading instruction was ever given by the Noticee.

17. In view of the aforesaid discussions, it is noted that the SCN, along with the documents relevant to and relied upon in the SCN and the hearing notice, were duly served on Noticee in consonance with the Rules and sufficient opportunities were granted to Noticee to make submissions in reply to the SCN.

CONSIDERATION OF ISSUES AND FINDINGS

18. I have perused the allegations levelled against the Noticee in the SCN, its reply and the material available on record. In the instant matter, the following issues arise for consideration and determination:

I. Whether the Noticee has 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 Noticee 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 Noticee after taking into account the factors mentioned in section 15J of the SEBI Act?

19. In this regard, it is pertinent to refer to the relevant provisions of PFUTP Regulations which are alleged to have been violated by the Noticee, as under:

"***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;"

20. Before proceeding to the merits of the case, it is appropriate to deal with the preliminary submissions made by the Noticee.

21. The Noticee submitted that the matter pertains to transactions alleged to have taken place approximately 12 years ago and as per relevant regulations/circulars, stock brokers are required to preserve books of accounts, records and documents generally for a period of 5 to 8 years.

22. In this regard, I note that pursuant to a preliminary examination conducted in the Illiquid Stock Options matter, an Interim Order was passed by SEBI on August 20, 2015 which was confirmed vide Orders dated July 30, 2016 and August 22, 2016. Meanwhile, SEBI initiated a detailed investigation relating to stock options segment of BSE which was completed in the year 2018. The investigation revealed that 14,720 entities were involved in executing non-genuine trades in BSE's stock options segment during the IP. The proceedings initiated vide the aforementioned Interim Order were disposed of vide Final Order dated April 05, 2018 also considering that appropriate action was initiated against the said 14,720 entities in a phased manner. During the course of hearing in the case of R. S. Ispat Ltd v. SEBI, the Hon'ble SAT, vide its Order dated October 14, 2019, *inter alia*, observed

that "*SEBI may consider holding a Lok Adalat or adopting any other alternative dispute resolution process with regard to the Illiquid Stock Options*".

23. A Settlement Scheme was framed under the Settlement Regulations, which provided one-time opportunity for settlement of the proceedings in the Illiquid Stock Options matter. The said scheme was kept open from August 01, 2020 till December 31, 2020. Adjudication proceedings were initiated against those entities who had not availed of the opportunity of settlement in the said scheme. Further, another settlement scheme, i.e., Settlement Scheme 2022 was introduced from August 22, 2022 to January 21, 2023. Finally, a third settlement scheme, i.e., Settlement Scheme 2024 was offered from March 11, 2024 to June 10, 2024.

24. It is further noted that there are no timelines prescribed in the SEBI Act for the purpose of identifying trades as non-genuine. In this regard, it is pertinent to note that, in the matter of SEBI v. Bhavesh Pabari[1], the Hon'ble Supreme Court, *inter alia*, held that: "*There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc.*"

25. Pursuant to appointment of erstwhile AO, SCN dated September 16, 2021 was issued to the Noticee. Thereafter, vide PSI dated August 10, 2022, Noticee was informed regarding Settlement Scheme 2022, however, Noticee did not avail the said settlement scheme. In between, Noticee was also granted opportunities of hearing on March 03, 2022 and May 31, 2023. However, Noticee failed to appear for the hearing. Subsequently, the Noticee was informed regarding the Settlement Scheme 2024, vide PSI dated March 06, 2024. Pursuant to appointment of the

[1] *(2019) SCC Online SC 294*

undersigned as AO, vide notice of hearing dated January 02, 2026, Noticee was granted opportunity of hearing on January 19, 2026 and the same was availed by Noticee. Hence, considering the narration of facts in the foregoing paragraphs, I note that there had been no inordinate delay in initiation of the proceedings as contended by the Noticee.

26. Further, the contention of the Noticee that a stock broker is required to maintain records only for a period of five to eight years is misconceived and irrelevant to the facts of the present case. The proceedings herein have not been initiated against the Noticee for any act or omission in its capacity as a stock broker, nor do they pertain to any alleged failure in maintaining statutory records under the broker regulations. Rather, the present proceedings concern the alleged trades executed by the Noticee from its own trading account in ISO. Therefore, the reliance placed by the Noticee on the record-retention requirement applicable to brokers is misplaced and does not address the substance of the allegations in the instant matter.

27. The Noticee further requested for the call records, recorded telephonic instructions (if any), client master details, IP logs, order placement logs, contract notes and proof of delivery thereof, bank ledger reflecting fund flow and KYC in-person verification. In this regard, I note that the following documents which are relevant and relied upon in the present proceedings have been duly provided to Noticee along with the SCN:

(a.) Integrated trade log of all reversal trades of Noticee in the stock options segment of BSE during the period April 01, 2014 to September 30, 2015;

(b.) Summary of all the reversal trades of the Noticee.

28. Further, with respect to Noticee's contention that it did not maintain any trading or demat account with Ashlar Securities Private Limited during the investigation period, the KYC documents and account opening application form submitted by

the Noticee to Ashlar Securities Private Limited as obtained from stock exchange has also been provided to Noticee.

29. In this context, reference is drawn to the following rulings of Hon'ble Supreme Court and Hon'ble SAT:

(a.)In the matter of Kavi Arora v. SEBI[2], the Hon'ble Supreme Court held that:

"49. It is well settled that the documents which are not relied upon by the Authority need not be supplied as held in Natwar Singh (supra) where this Court held:-
"48. On a fair reading of the statute and the Rules suggests that there is no duty of disclosure of all the documents in possession of the Adjudicating Authority before forming an opinion that an inquiry is required to be held into the alleged contraventions by a noticee. Even the principles of natural justice and concept of fairness do not require the statute and the Rules to be so read. Any other interpretation may result in defeat of the very object of the Act. Concept of fairness is not a one way street. The principles of natural justice are not intended to operate as roadblocks to obstruct statutory inquiries. Duty of adequate disclosure is only an additional procedural safeguard in order to ensure the attainment of the fairness and it has its own limitations. The extent of its applicability depends upon the statutory framework."

(b.) In the matter of Madhyam Agrivet Industries Ltd. v. SEBI[3], the Hon'ble SAT held that:

"It is held herein that it is sufficient to disclose materials relied upon for issuance of show cause notice."

30. In view of the above, since all the relevant and relied upon documents in the present proceedings was provided to Noticee, the submission of Noticee in this regard is devoid of merit.

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

31. I shall now proceed to deal with the matter on merits.

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[2] Special Leave Petition (Civil) No. 15149 of 2021 dated September 14, 2022
[3] Appeal No. 258 of 2024 dated May 22, 2024

32. I note that it was alleged in the SCN that the Noticee, while dealing in the stock options 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 options contract at BSE. The said reversal trades were alleged to be non-genuine trades as they were not executed in the normal course of trading, lacked basic trading rationale, led to false or misleading appearance of trading in terms of generation of artificial volumes and hence, were deceptive and manipulative.

33. It was alleged that the Noticee was one of the entities who had indulged in creating artificial volume of 1,56,000 units through six non-genuine reversal trades in three stock options contracts during IP. The summary of trades is given below:

Table 2

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	G
MCRS15APR260.00PEW2	12.1	25,000	20.9	25,000	100	27.78
MCRS15APR225.00CEW3	14.9	28,000	25.7	28,000	100	38.36
ITCL15APR300.00CEW2	16.9	25,000	26	25,000	100	100

34. To illustrate, on March 26, 2015 at 15:18:49 hours, the Noticee entered into a buy trade in a contract, viz., "MCRS15APR260.00PEW2" with counterparty "Shiva Commodities Private Limited" for 25,000 units at Rs. 12.1/- per unit. On the same day, at 15:18:54 hours, Noticee entered into a sell trade with the same counterparty for 25,000 units at Rs. 20.9/- per unit. It is noted that the Noticee while

dealing in the said contract during the IP, executed a total of two trades (1 buy trade and 1 sell trade) with same counterparty, viz., Shiva Commodities Private Limited on the same day and with significant price difference in buy and sell rates. It is observed that the Noticee's two trades while dealing in the aforesaid contract during the IP generated artificial volume of 50,000 units, which made up 27.78% of total market volume in the said contract during the IP.

35. Similarly, on March 26, 2015 at 15:19:17 hours, the Noticee entered into a buy trade in a contract, viz., "MCRS15APR225.00CEW3" with counterparty "Shiva Commodities Private Limited" for 28,000 units at Rs. 14.9/- per unit. On the same day, at 15:19:22 hours, Noticee entered into a sell trade with the same counterparty for 28,000 units at Rs. 25.7/- per unit. It is noted that the Noticee while dealing in the said contract during the IP, executed a total of two trades (1 buy trade and 1 sell trade) with same counterparty, viz., Shiva Commodities Private Limited on the same day and with significant price difference in buy and sell rates. It is observed that the Noticee's two trades while dealing in the aforesaid contract during the IP generated artificial volume of 56,000 units, which made up 38.36% of total market volume in the said contract during the IP.

36. Likewise, on March 26, 2015 at 15:20:16 hours, the Noticee entered into a buy trade in a contract, viz., "ITCL15APR300.00CEW2" with counterparty "Shiva Commodities Private Limited" for 25,000 units at Rs. 16.9/- per unit. On the same day, at 15:20:33 hours, Noticee entered into a sell trade with the same counterparty for 25,000 units at Rs. 26/- per unit. It is noted that the Noticee while dealing in the said contract during the IP, executed a total of two trades (1 buy trade and 1 sell trade) with same counterparty, viz., Shiva Commodities Private Limited on the same day and with significant price difference in buy and sell rates. It is observed that the Noticee's two trades while dealing in the aforesaid contract

during the IP generated artificial volume of 50,000 units, which made up 100% of total market volume in the said contract during the IP.

37. The Noticee submitted that it did not maintain any trading or demat account with Ashlar Securities Private Limited and that the impugned transactions were not executed by it. However, the KYC documents and account opening application form submitted by the Noticee to Ashlar Securities Private Limited were obtained from stock exchange and copies of the said documents were provided to the Noticee for filing additional submissions, if any. After receipt thereof, the Noticee submitted that it had not operated or placed any trades from the alleged trading account maintained with Ashlar Securities Private Limited. It was further submitted that the person who was connected with the matter is deceased and the AR is presently not a director of the Noticee and does not have any current association with or control over the affairs of the Noticee.

38. In view of the trade logs, KYC documents and account opening form bearing the details of the Noticee, it is reasonable to conclude that the Noticee had opened and maintained a trading and demat account with Ashlar Securities Private Limited and that the transactions under investigation in the present proceedings were executed through the said account. Since, the trades were executed from the trading and demat account of Noticee, all regulatory obligations attached thereto were its responsibility. The plea that the person who was handling the matter is deceased or that the present AR is not a director of the Noticee, does not dilute or extinguish the liability of the Noticee. In view of the same, I find that Noticee is responsible for the trades executed on its trading and demat account and cannot be absolved of the responsibility for such trades. Hence, the aforesaid contention of the Noticee in this regard is untenable.

39. The Noticee further contended that it was never a member of NSE or BSE in the Equity or Equity Derivatives segments and was only registered as a member of

MCX, which itself stood deactivated in April 2020. In this regard, it is observed that the allegations in the present matter pertain to trading activity in stock options through a trading account maintained with a stock broker and not the trades executed in the capacity of a member of an exchange. Therefore, absence of NSE/BSE membership by itself does not preclude the possibility of trades being undertaken as a client through a registered broker. The contention, thus, does not address the core allegation relating to execution of trades through the impugned trading account.

40. The non-genuineness of the aforesaid transactions executed by the Noticee is evident from the fact that there was no commercial basis as to why, within few seconds, the Noticee 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 Noticee had indulged in reversal trades with its counterparty in the stock options segment of BSE and the same were non-genuine trades.

41. It cannot be a mere coincidence that the Noticee 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 makes it clear that aforesaid non-genuine trades could not have been possible without meeting of minds at some level.

42. 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.*"

43. Therefore, applying the ratio of the above judgment, it is observed that the execution of trades by the Noticee in the 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 few seconds was a clear indication that there was pre-determination in the prices by the counterparties 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 Noticee with its counterparty to carry out the trades at pre - determined prices.

44. It is also relevant to refer to order of the Hon'ble Securities Appellate Tribunal in the matter of *Ketan Parekh v. SEBI* (Appeal No. 2 of 2004 decided on 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."*

45. In this regard, further reliance is placed on judgment of Hon'ble Supreme Court in the matter 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 circumstances, which, *inter alia,* held as under:

> *"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….."*

46. Therefore, the trading behaviour of the Noticee confirms that such trades were not normal, indicating that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in respective contract. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c) and (d), 4(1), 4(2)(a) of PFUTP Regulations by the Noticee stands established.

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

47. Therefore, considering the above findings and the judgment of Hon'ble Supreme Court in the matter of *SEBI v. 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 Noticee after taking into account the factors mentioned in section 15J of the SEBI Act?

48. While determining the quantum of penalty under section 15HA of the SEBI Act, the following factors as stipulated in section 15J of the SEBI Act are taken into account-

> *"**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."*

49. As established above, the trades by the Noticee 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. However, considering that the six non-genuine trades entered by the Noticee in three contracts 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, which should be dealt with suitable penalty.

50. As regards the repetitive nature of default, it is noted that following penalties have been imposed/directions issued against Noticee by SEBI.

Table 3

Sr. No.	Case Name	Date of Order	Violation of provisions of	Penalty imposed/ Directions issued
1.	In the matter of Goldenmaple Commodities Pvt. Ltd. (Adjudication Proceedings)	May 31, 2024	Circulars issued by SEBI	Rs. 6,00,000/-*
2.	In the matter of Goldenmaple Commodities Pvt. Ltd. (Enquiry Proceedings)	December 02, 2024	Circulars issued by SEBI	Regulatory Censure

*Joint and several with other two entities who were Noticees in the said case.

ORDER

51. Taking into account the facts and circumstances of the case, material available on record, submissions of the Noticee, findings hereinabove and factors mentioned in section 15J of the SEBI Act, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I hereby impose monetary penalty of ₹ 5,00,000/- (Rupees Five Lakh only) on the Noticee (Goldenmaple Commodities Private Limited) 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. I am of the view that the said penalty is commensurate with the violations committed by Noticee.

52. 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.

53. 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.

54. In terms of the provisions of rule 6 of the Rules, a copy of this order is being sent to the Noticee and to SEBI.

JAI SEBASTIAN

Digitally signed by JAI SEBASTIAN
Date: 2026.02.26 16:17:02 +05'30'

Place: Mumbai
Date: February 26, 2026

JAI SEBASTIAN
ADJUDICATING OFFICER