



**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/JS/DP/2025-26/32005-32011]**

**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 BY ADJUDICATING OFFICERS) RULES, 1995**

Noticee No.	Name of the Noticee	PAN
1.	MVM Securities Private Limited	AAECM3551F
2.	MVM Commodities Private Limited	AAFCM6435K
3.	Govinda Shares & Securities Private Limited	AADCG6788P
4.	Navin Textiles Marketing Private Limited	AADCN0524A
5.	Sureshkumar Khimajibhai Doshi	ABOPD5658G
6.	Epoch Synthetics Private Limited	AAACE5684M
7.	Trinetra Company Private Limited	AABCT0810F

**In the matter of execution of Three-way Reversals by certain entities in Illiquid
Stock Options segment contracts on NSE.**

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted an investigation into Three-way Reversals (hereinafter referred to as “**circular transactions**”) by certain entities in Illiquid Stock Options segment [Out of the Money (OTM) contracts] on the National Stock Exchange of India Limited (hereinafter referred to as “**NSE**”), in respect of alleged violation of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) for the period February 01, 2021 to March 25, 2021 (hereinafter referred to as “**Investigation Period/IP**”).
2. Pursuant to the investigation, SEBI observed violations of section 12A (a), (b), (c) of SEBI Act read with regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and (n) of PFUTP Regulations.



3. Therefore, SEBI initiated adjudication proceedings against the seven Noticees, as named above (hereinafter referred individually by their “**Name or Noticee No.**” and collectively referred to as “**Noticees**”)

APPOINTMENT OF ADJUDICATING OFFICER

4. SEBI appointed an Adjudicating Officer (First AO), vide communiqué dated November 25, 2022 under section 15-I of 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, the alleged violations of the provisions of PFUTP Regulations by the Noticees. Subsequently, on transfer of the first AO, vide communiqué dated August 30, 2023 the matter was transferred to another AO (Second AO). Vide communiqué dated March 14, 2024, another AO (Third AO) was appointed in the matter. Pursuant to reallocation of cases, vide communiqué dated April 04, 2025, the undersigned was appointed as the AO in this matter under section 19 of SEBI Act read with section 15I(1) and rule 3 of Rules to inquire into and adjudge under the provisions of section 15HA of SEBI Act, the alleged violation of provisions of section 12A (a), (b), (c) of SEBI Act, regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and (n) of PFUTP Regulations.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice No. EAD-9/ADJ/VKV/NK/2022/64919 dated December 30, 2022 (hereinafter referred to as “**SCN**”) was issued to the Noticees to show cause as to why an inquiry should not be initiated against them and penalty, if any, should not be imposed upon them under the provisions of section 15HA of SEBI Act, for violation of sections 12A (a), (b), (c) of SEBI Act, regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and 4(2)(n) of PFUTP Regulations, alleged to have been committed by them. I note that the SCN issued to the Noticees was duly served upon them by Speed Post Acknowledgement Due (hereinafter referred to as “**SPAD**”) and emails.



6. While these proceedings were underway, the Noticees filed applications for settlement in the matter. However, the settlement applications filed by the Noticees were rejected on October 13, 2023.
7. Subsequently, in the interest of natural justice, the Noticees were granted personal hearings. The details of hearings conducted in the matter are as under:

Sl. No.	Name of Noticee	Date of Hearing	Authorised Representative(s)
1	MVM Securities Private Limited	May 28, 2024 and July 15, 2025	Advocates Robin Shah and Kausik Chatterjee and Vikas Agrawal, director of Noticee 1.
2	MVM Commodities Private Limited		Advocates Robin Shah and Kausik Chatterjee i/b Bodhilegal
3	Govinda Shares & Securities Private Limited	May 28, 2024 and July 15, 2025	Advocates Abhiraj Arora and Deepanshu Agarwal i/b Saraf and Partners
4	Navin Textiles Marketing Private Limited	May 03, 2024 And April 29, 2025	Advocate Rajesh Khandelwal i/b Juris Link
5	Epoch Synthetics Private Limited		
6	Trinetra Company Private Limited		
7	Sureshkumar Khimajibhai Doshi	May 03, 2024 And April 28, 2025	CA Mukesh Agarwal

8. The allegations made in the SCN are summarised as under:

- 8.1 SEBI conducted investigation in the matter of execution of Three-way Reversals by certain entities in Illiquid Stock Options contracts on NSE during IP, to ascertain violation of section 12A (a), (b), (c) of SEBI Act, regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and 4(2)(n) of PFUTP Regulations.
- 8.2 During investigation, it was observed that 11 entities including the Noticees, were involved in more than 2 circular transactions in 57 contracts. In view of this, only 11 entities were considered as suspected. The details of the entities are as follows:-



Sr. No.	Name of the entities	PAN
1	Benison Stock Broking Pvt. Ltd.	AADCB4930E
2	MVM Securities Private Limited	AAECM3551F
3	MVM Commodities Pvt. Ltd.	AAFCEM6435K
4	Govinda Share & Secu Pvt. Ltd.	AADCG6788P
5	Navin Textile Marketing Pvt. Ltd.	AADCN0524A
6	Sureshkumar Khimajibhai Doshi	ABOPD5658G
7	Epoch Synthetics Pvt. Ltd.	AAACE5684M
8	Ruchi Gupta	ADSPR0410Q
9	Tower Research Capital Markets India Pvt. Ltd.	AARCS1742B
10	Trinetra Com. Pvt. Ltd.	AABCT0810F
11	Kedia Fintrade Private Limited	AAHCK8381L

8.3 Further, the connection among the aforesaid suspected entities were analysed based on Unique Client Code (UCC)/ Off market/bank transfers and Call Data Records (CDRs). Based on the said analysis, it was observed that 7 Noticees (herein referred to as “**connected entities**”) out of aforesaid 11 entities were connected to each other. The details of such entities and the basis of connections are as follows:-

Sr. No.	Name of the entities	PAN	Basis of connection
1	MVM Securities Private Limited	AAECM3551F	Entity at Sr. No. 1 and 3 shared same email id vvikash_71@rediffmail.com Entity at Sr. No. 1 and 2 shared common director namely "Sumit Agarwal" Entity at Sr. No. 1 and 2 shared same mobile no. 98xxxxxx10.
2	MVM Commodities Pvt. Ltd.	AAFCEM6435K	
3	Govinda Share & Secu Pvt. Ltd.	AADCG6788P	
4	Kedia Fintrade Private Limited	AAHCK8381L	Entity at Sr. No. 1, 2 and 3 shared same mobile no. 98xxxxxx71, 033-2xxxxxx5. Entity at Sr. No. 1, 2, 3 and 4 shared same building India Exchange Plaza, Kolkata-700001. Entity at Sr. No. 1 and 7 have certain financial transaction. Entity at Sr. No. 1 and 2 had shared common director namely Mr. Vikash Agarwal. Entity at Sr. No. 5 and 7 shared same address 2A, Ganesh Chandra Avenue, Kolkata- 700013 Entity at Sr. No. 5 and 7 shared common directors named
5	Navin Textile Marketing Pvt. Ltd.	AADCN0524A	
6	Epoch Synthetics Pvt. Ltd.	AAACE5684M	
7	Trinetra Company Pvt. Ltd.	AABCT0810F	



Sr. No.	Name of the entities	PAN	Basis of connection
			"Siddhant Mehrotra and Siddharth Mehrotra " Entity at Sr. No. 6 has director namely Mrs. Vanshika Mehrotra wife of Mr. Siddhant Mehrotra who is common director in the entities at Sr. No. 5 and 7.

8.4 From the analysis of above table, it was observed that 6 Noticees out of 7 Noticees had various basis of connections like address, phone number, fund transfers with each other. However, one entity, viz., Kedia Fintrade had only one basis of connection with other entities which was the address, i.e., same building India Exchange Plaza.

8.5 Further, no connection could be established between other 4 entities namely Mrs. Ruchi Gupta, Noticee No. 5, Benison Stock Broking and Tower Research on the basis of Unique Client Code (hereinafter referred to as “UCC”), Bank statement, Off-market and CDRs.

8.6 Pursuant to analysis of the aforesaid 57 contracts, it was observed that in all the 57 contracts, 67 circular transactions for squaring off the positions were carried out during the IP by the Noticees. Further, it was observed that most of the positions were squared off by them with each other and more than 90% of the quantity were squared off within a gap of 2-6 days.

8.7 The above pattern of trades in 57 contracts indicated that positions were being squared off actively/repeatedly among the suspected entities mostly in a circular fashion in all the 57 contracts.

8.8 The details of 57 contracts¹ wherein the circular transactions had taken place during the IP are as under:

Sr. No.	Start Date	End Date	Symbol	Instrument Type	Option Type	Strike Price	Expiry Date
1	01-Feb-2021	04-Feb-2021	FEDERALBNK	OPTSTK	PE	61.00	25-Feb-2021
2	01-Feb-2021	19-Feb-2021	GAIL	OPTSTK	PE	102.50	25-Feb-2021
3	01-Feb-2021	04-Feb-2021	NMDC	OPTSTK	PE	92.50	25-Feb-2021

¹ The underlying units traded in the said contracts are referred to as “shares”.



Sr. No.	Start Date	End Date	Symbol	Instrument Type	Option Type	Strike Price	Expiry Date
4	01-Feb-2021	04-Feb-2021	NTPC	OPTSTK	PE	78.00	25-Feb-2021
5	01-Feb-2021	04-Feb-2021	ONGC	OPTSTK	PE	78.00	25-Feb-2021
6	01-Feb-2021	04-Feb-2021	PFC	OPTSTK	PE	97.50	25-Feb-2021
7	01-Feb-2021	04-Feb-2021	RECLTD	OPTSTK	PE	112.50	25-Feb-2021
8	02-Feb-2021	08-Feb-2021	VEDL	OPTSTK	PE	152.50	25-Feb-2021
9	03-Feb-2021	08-Feb-2021	IOC	OPTSTK	PE	89.00	25-Feb-2021
10	03-Feb-2021	12-Feb-2021	MANAPPURAM	OPTSTK	CE	192.50	25-Feb-2021
11	08-Feb-2021	11-Feb-2021	FEDERALBNK	OPTSTK	PE	72.00	25-Feb-2021
12	09-Feb-2021	12-Feb-2021	BANKBARODA	OPTSTK	PE	71.00	25-Feb-2021
13	09-Feb-2021	11-Feb-2021	IDFCFIRSTB	OPTSTK	PE	41.00	25-Feb-2021
14	09-Feb-2021	12-Feb-2021	ONGC	OPTSTK	PE	82.00	25-Feb-2021
15	09-Feb-2021	12-Feb-2021	VEDL	OPTSTK	CE	197.50	25-Feb-2021
16	11-Feb-2021	18-Feb-2021	CANBK	OPTSTK	PE	132.50	25-Feb-2021
17	12-Feb-2021	18-Feb-2021	IOC	OPTSTK	PE	84.00	25-Feb-2021
18	12-Feb-2021	18-Feb-2021	MANAPPURAM	OPTSTK	PE	157.50	25-Feb-2021
19	12-Feb-2021	19-Feb-2021	AMBUJACEM	OPTSTK	PE	245.00	25-Feb-2021
20	12-Feb-2021	18-Feb-2021	L&TFH	OPTSTK	PE	81.85	25-Feb-2021
21	12-Feb-2021	19-Feb-2021	APOLLOTYRE	OPTSTK	PE	212.50	25-Feb-2021
22	08-Feb-2021	16-Feb-2021	EXIDEIND	OPTSTK	PE	187.50	25-Feb-2021
23	12-Feb-2021	17-Feb-2021	FEDERALBNK	OPTSTK	PE	71.00	25-Feb-2021
24	12-Feb-2021	18-Feb-2021	NMDC	OPTSTK	PE	107.50	25-Feb-2021
25	08-Feb-2021	16-Feb-2021	TORNTPOWER	OPTSTK	PE	295.00	25-Feb-2021
26	08-Feb-2021	12-Feb-2021	CANBK	OPTSTK	PE	137.50	25-Feb-2021
27	05-Mar-2021	09-Mar-2021	AMBUJACEM	OPTSTK	PE	255.00	25-Mar-2021
28	08-Mar-2021	16-Mar-2021	APOLLOTYRE	OPTSTK	PE	217.50	25-Mar-2021
29	02-Mar-2021	16-Mar-2021	BEL	OPTSTK	PE	122.50	25-Mar-2021
30	08-Mar-2021	16-Mar-2021	COALINDIA	OPTSTK	CE	172.50	25-Mar-2021
31	02-Mar-2021	08-Mar-2021	CUB	OPTSTK	PE	152.50	25-Mar-2021
32	22-Feb-2021	08-Mar-2021	FEDERALBNK	OPTSTK	PE	71.00	25-Mar-2021
33	09-Mar-2021	15-Mar-2021	GRANULES	OPTSTK	PE	305.00	25-Mar-2021
34	05-Mar-2021	16-Mar-2021	INDUSTOWER	OPTSTK	PE	215.00	25-Mar-2021
35	02-Mar-2021	12-Mar-2021	IOC	OPTSTK	PE	91.00	25-Mar-2021
36	05-Mar-2021	16-Mar-2021	ITC	OPTSTK	PE	192.50	25-Mar-2021
37	02-Mar-2021	08-Mar-2021	MOTHERSUMI	OPTSTK	PE	192.50	25-Mar-2021
38	09-Mar-2021	16-Mar-2021	MOTHERSUMI	OPTSTK	PE	202.50	25-Mar-2021
39	02-Mar-2021	08-Mar-2021	NMDC	OPTSTK	PE	112.50	25-Mar-2021
40	08-Mar-2021	15-Mar-2021	NTPC	OPTSTK	PE	98.00	25-Mar-2021
41	02-Mar-2021	08-Mar-2021	PETRONET	OPTSTK	PE	225.00	25-Mar-2021
42	05-Mar-2021	09-Mar-2021	PFC	OPTSTK	PE	117.50	25-Mar-2021
43	05-Mar-2021	16-Mar-2021	POWERGRID	OPTSTK	PE	197.50	25-Mar-2021
44	09-Mar-2021	12-Mar-2021	TORNTPOWER	OPTSTK	PE	375.00	25-Mar-2021
45	02-Mar-2021	08-Mar-2021	VEDL	OPTSTK	PE	182.50	25-Mar-2021
46	08-Mar-2021	16-Mar-2021	VEDL	OPTSTK	PE	192.50	25-Mar-2021
47	17-Feb-2021	19-Mar-2021	RECLTD	OPTSTK	PE	142.50	25-Mar-2021
48	02-Feb-2021	09-Feb-2021	APOLLOTYRE	OPTSTK	PE	187.50	25-Feb-2021
49	12-Mar-2021	18-Mar-2021	VEDL	OPTSTK	PE	197.50	25-Mar-2021
50	17-Feb-2021	08-Mar-2021	GAIL	OPTSTK	PE	122.50	25-Mar-2021
51	16-Feb-2021	02-Mar-2021	BEL	OPTSTK	PE	117.50	25-Mar-2021
52	22-Feb-2021	03-Mar-2021	NTPC	OPTSTK	PE	91.00	25-Mar-2021
53	01-Feb-2021	04-Feb-2021	IOC	OPTSTK	PE	82.00	25-Feb-2021
54	18-Feb-2021	02-Mar-2021	L&TFH	OPTSTK	PE	81.40	25-Mar-2021
55	03-Feb-2021	16-Feb-2021	L&TFH	OPTSTK	PE	81.40	25-Feb-2021
56	02-Mar-2021	17-Mar-2021	APOLLOTYRE	OPTSTK	PE	212.50	25-Mar-2021
57	16-Feb-2021	26-Feb-2021	BANKBARODA	OPTSTK	PE	67.00	25-Mar-2021



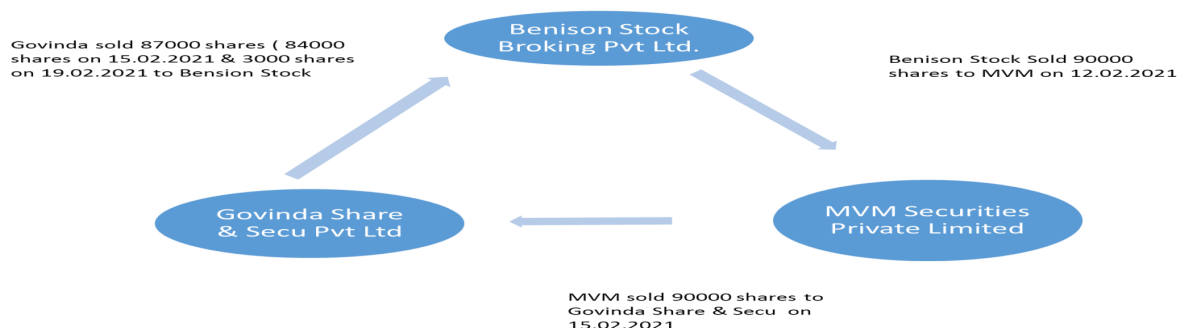
8.9 Upon analysis of the trading details of the suspected entities, it was observed that in all the 57 contracts, 67 circular transactions for squaring off the positions were initiated on the start date of the contract.

8.10 The above pattern of trades in 57 contracts indicates that positions were getting squared off actively/repeatedly among the suspected entities mostly in a circular fashion in all the 57 contracts. For example, the pattern of the circular transactions of some of the contracts are given as follows:

Contract 1:-

AMBUJACEM 245 PE 2502

Trade date	Trade time	Traded Price (in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
12/02/2021	09:46:12	2.7	87000	00:00:03	90000	90000	MVM Securities Pvt. Ltd.	Benison Stock Broking Pvt.Ltd.
12/02/2021	09:46:12	1.75	3000	00:10:17	3000	90000	MVM Securities Pvt. Ltd.	Benison Stock Broking Pvt.Ltd.
15/02/2021	10:47:58	0.8	90000	00:00:21	90000	90000	Govinda Share & Secu Pvt.Ltd.	MVM Securities Pvt. Ltd.
15/02/2021	13:29:15	0.75	84000	00:00:03	84000	84000	Benison Stock Broking Pvt.Ltd.	Govinda Share & Secu Pvt.Ltd.
19/02/2021	11:09:35	0.15	3000	00:00:08	6000	6000	Benison Stock Broking Pvt.Ltd.	Govinda Share & Secu Pvt.Ltd.

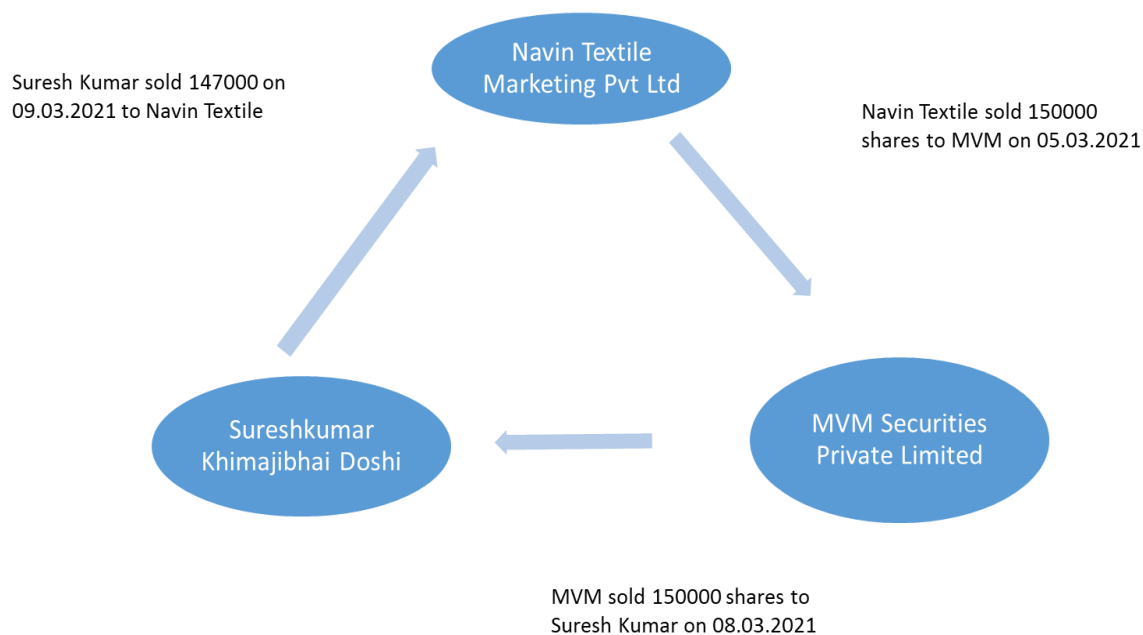




Contract 2:-

AMBUJACEM 255 PE 2503

Trade date	Trade time	Traded Price (in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
05/03/2021	12:22:09	3.2	3000	00:00:38	3000	150000	MVM Securities Pvt. Ltd.	Navin Textile Marketing Private Limited
05/03/2021	12:22:09	3.25	147000	00:00:01	150000	150000	MVM Securities Pvt. Ltd.	Navin Textile Marketing Private Limited
08/03/2021	13:03:36	1.9	150000	00:00:01	150000	150000	Sureshkumar Khimajibhai Doshi	MVM Securities Pvt. Ltd.
09/03/2021	10:59:35	1.25	147000	00:00:05	147000	147000	Navin Textile Marketing Private Limited	Sureshkumar Khimajibhai Doshi

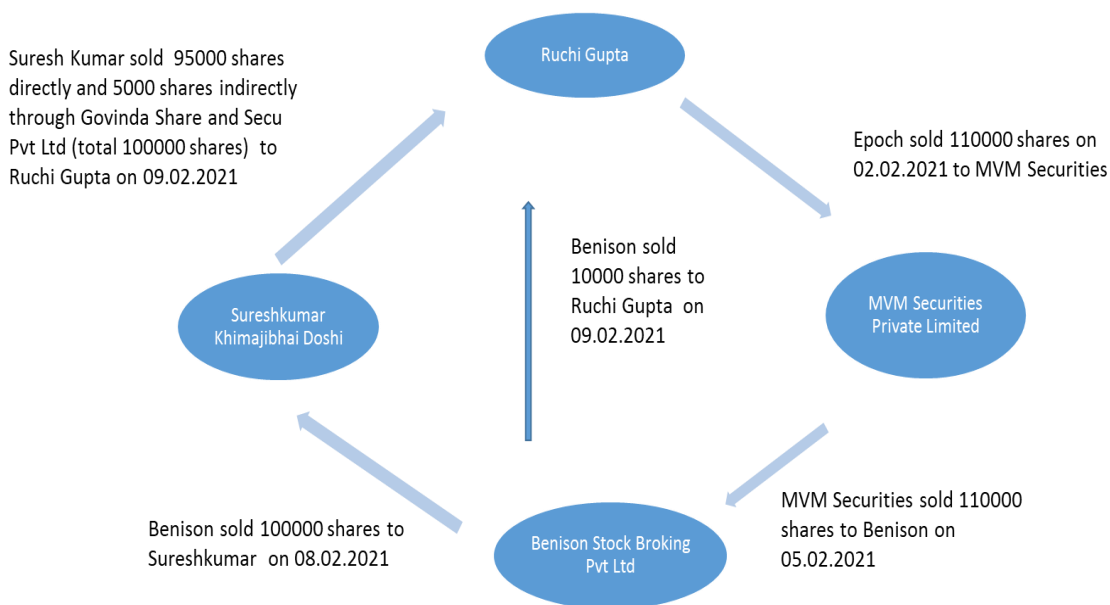




Contract 3:-

APOLLOTYRE 187.50 PE 2502

Trade date	Trade time	Traded Price (in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
02/02/2021	10:55:34	5.4	100000	00:00:03	110000	110000	MVM Securities Pvt. Ltd.	Ruchi Gupta
02/02/2021	10:55:34	5.25	5000	00:00:18	5000	110000	MVM Securities Pvt. Ltd.	Ruchi Gupta
02/02/2021	10:55:34	5.3	5000	00:00:10	5000	110000	MVM Securities Pvt. Ltd.	Ruchi Gupta
03/02/2021	12:12:24	2.25	5000	00:00:03	5000	5000	Govinda Share & Secu Pvt.Ltd.	Sureshkumar Khimajibhai Doshi
05/02/2021	13:07:27	0.3	110000	00:00:01	110000	110000	Benison Stock Broking Pvt.Ltd.	MVM Securities Private Limited
08/02/2021	11:03:22	1.85	90000	00:00:02	100000	100000	Sureshkumar Khimajibhai Doshi	Benison Stock Broking Pvt.Ltd.
08/02/2021	11:03:22	1.7	5000	00:00:23	5000	100000	Sureshkumar Khimajibhai Doshi	Benison Stock Broking Pvt.Ltd.
08/02/2021	11:03:22	1.8	5000	00:00:19	5000	100000	Sureshkumar Khimajibhai Doshi	Benison Stock Broking Pvt.Ltd.
09/02/2021	11:59:02	0.4	95000	00:00:04	95000	110000	Ruchi Gupta.	Sureshkumar Khimajibhai Doshi
09/02/2021	11:59:06	0.4	5000	00:00:08	5000	110000	Ruchi Gupta	Govinda Share & Secu Pvt.Ltd.
09/02/2021	12:00:08	0.6	10000	00:01:10	10000	10000	Ruchi Gupta	Benison Stock Broking Pvt. Ltd.



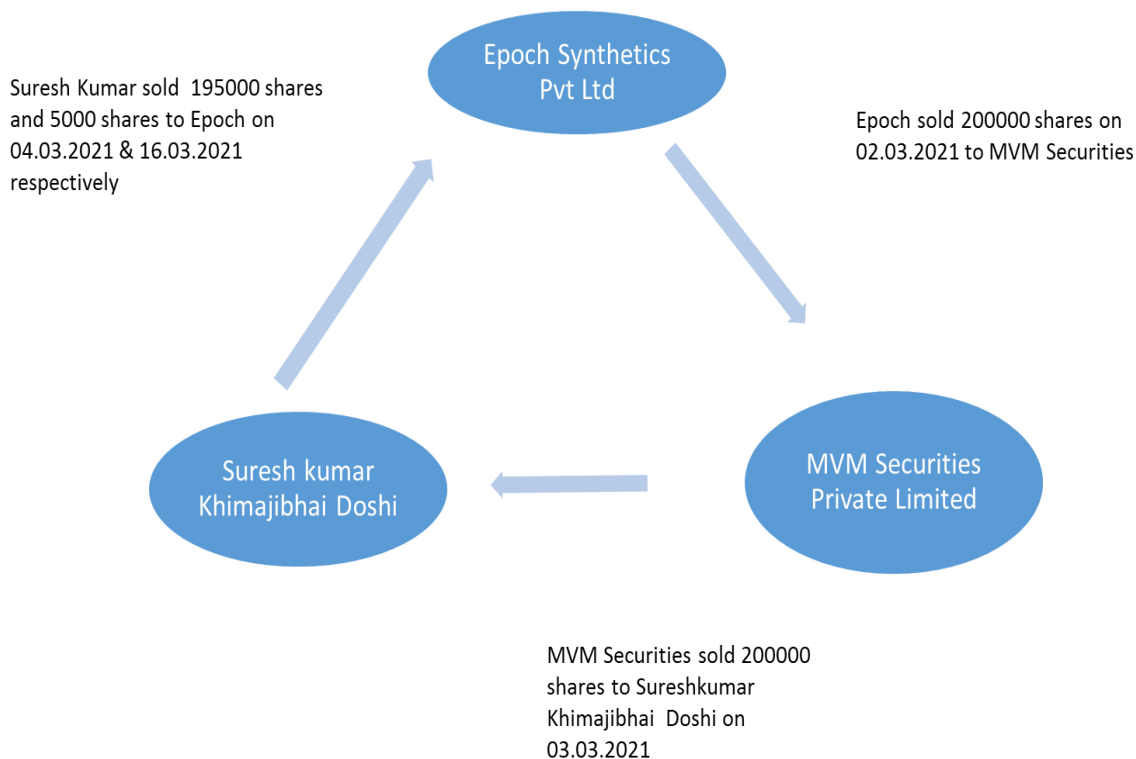
Contract 4:-

APOLLOTYRE 212.50 PE 2503

Details of Circular transaction 1:-

Trade date	Trade time	Traded Price(in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
02/03/2021	09:52:22	4.5	195000	00:00:02	200000	200000	MVM Securities Pvt. Ltd.	Epoch Synthetics Pvt. Ltd.
02/03/2021	09:52:22	4.4	5000	00:00:13	5000	200000	MVM Securities Pvt. Ltd.	Epoch Synthetics Pvt.Ltd.
03/03/2021	12:33:39	2.45	200000	00:00:03	200000	200000	Sureshkumar Khimajibhai Doshi	MVM Securities Pvt. Ltd.
04/03/2021	10:39:29	0.8	195000	00:00:03	195000	195000	Epoch Synthetics Pvt. Ltd.	Sureshkumar Khimajibhai Doshi
16/03/2021	12:53:06	1.25	5000	00:00:03	5000	5000	Epoch Synthetics Pvt. Ltd.	Sureshkumar Khimajibhai Doshi

Diagrammatic presentation of the aforesaid transactions are as follows:-

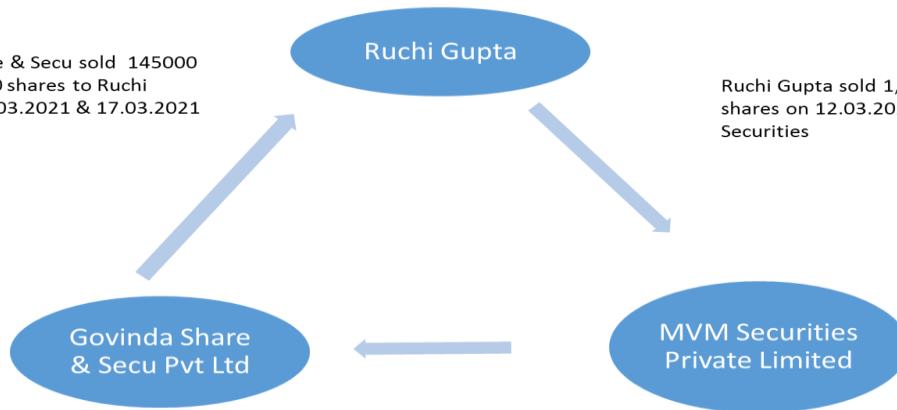


Details of Circular transaction 2:-

Trade date	Trade time	Traded Price(in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
12/03/2021	11:03:20	2.2	5000	00:00:07	5000	150000	MVM Securities Pvt. Ltd.	Ruchi Gupta.
12/03/2021	11:03:20	2.25	145000	00:00:02	150000	150000	MVM Securities Pvt. Ltd.	Ruchi Gupta.
16/03/2021	10:55:04	1.2	145000	00:00:45	145000	145000	Ruchi Gupta.	Govinda Share & Secu Pvt.Ltd
16/03/2021	09:23:37	0.25	150000	00:00:14	150000	150000	Govinda Share & Secu Pvt. Ltd.	MVM Securities Pvt. Ltd.
17/03/2021	11:30:56	0.9	5000	00:00:02	5000	5000	Ruchi Gupta.	Govinda Share & Secu Pvt. Ltd.



Govinda Share & Secu sold 145000 shares & 5000 shares to Ruchi Gupta on 16.03.2021 & 17.03.2021 respectively.



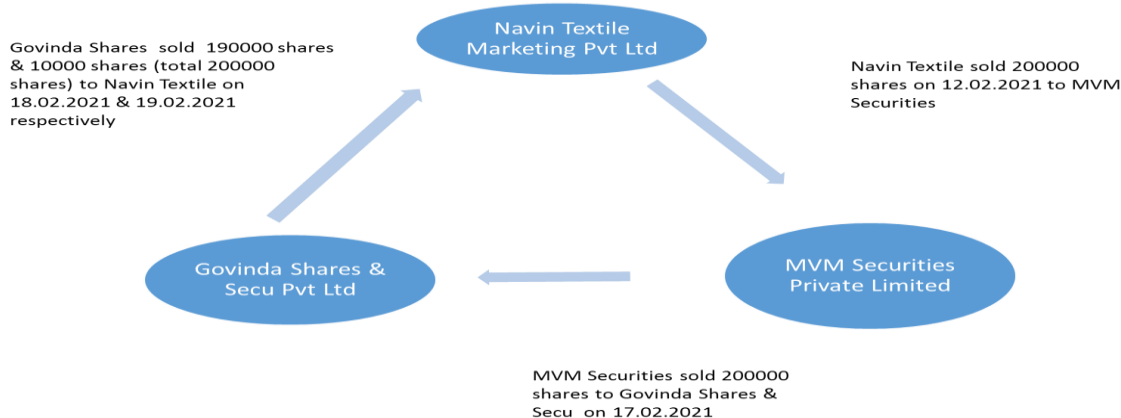
Ruchi Gupta sold 1,50,000 shares on 12.03.2021 to MVM Securities

MVM Securities sold 150000 shares to Sureshkumar Khimajibhai Doshi

Contract 5:-

APOLLOTYRE 212.50 PE 2502

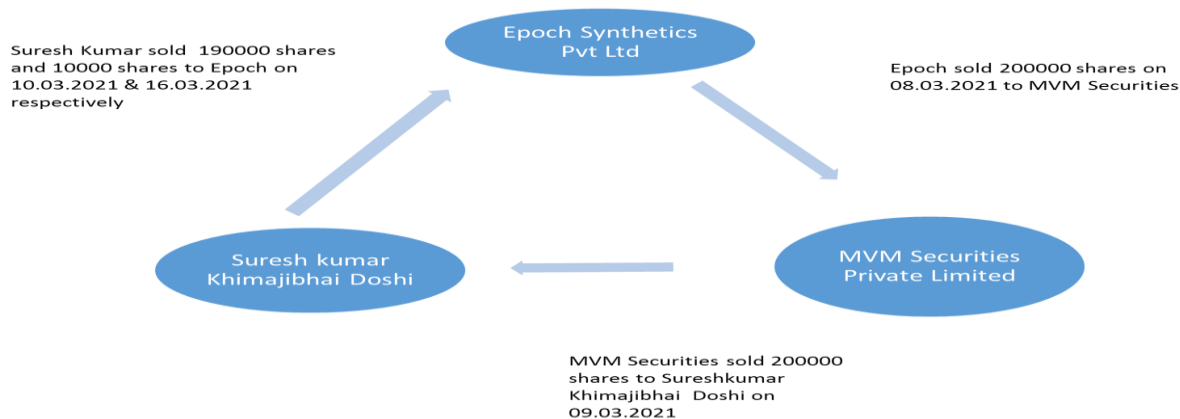
Trade date	Trade time	Traded Price(in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
12/02/2021	09:33:50	2.6	5000	00:00:13	5000	200000	MVM Securities Pvt. Ltd.	Navin Textile Marketing Private Limited
12/02/2021	09:33:50	2.7	190000	00:00:04	200000	200000	MVM Securities Pvt. Ltd.	Navin Textile Marketing Private Limited
12/02/2021	09:33:50	2.4	5000	00:00:37	5000	200000	MVM Securities Pvt. Ltd.	Navin Textile Marketing Private Limited
17/02/2021	11:58:04	0.7	200000	00:00:11	200000	200000	Govinda Share & Secu Pvt. Ltd.	MVM Securities Pvt. Ltd.
18/02/2021	11:56:33	0.6	190000	00:00:09	190000	190000	Navin Textile Marketing Private Limited	Govinda Share & Secu Pvt. Ltd.
19/02/2021	11:05:52	0.45	10000	00:00:02	10000	10000	Navin Textile Marketing Private Limited	Govinda Share & Secu Pvt. Ltd.



Contract 6:-

APOLLOTYRE 217.50 PE 2503

Trade date	Trade time	Traded Price(in Rs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
08/03/2021	09:35:43	4.9	195000	00:00:12	200000	200000	MVM Securities Pvt. Ltd.	Epoch Synthetics Pvt. Ltd.
08/03/2021	09:35:43	4.8	5000	00:00:20	5000	200000	MVM Securities Pvt. Ltd.	Epoch Synthetics Pvt. Ltd.
09/03/2021	14:50:17	2.75	200000	00:00:05	200000	200000	Sureshkumar Khimajibhai Doshi	MVM Securities Pvt. Ltd.
10/03/2021	11:11:49	0.6	190000	00:00:03	190000	190000	Epoch Synthetics Pvt. Ltd.	Sureshkumar Khimajibhai Doshi
16/03/2021	11:37:33	2.25	10000	00:00:32	10000	10000	Epoch Synthetics Pvt.Ltd.	Sureshkumar Khimajibhai Doshi

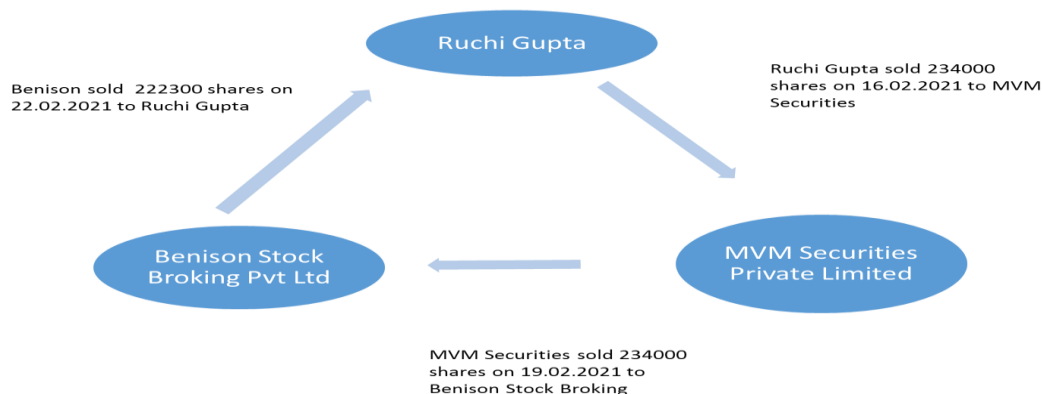




Contract 7:-

BANKOFBARODA 67 PE 2503

Trade date	Trade time	Traded Price(inRs.)	Traded Qty	Time diff between buy & Sell order	Sell order Org Vol	Buy order Org Vol	Buy Client	Sell Client
16/02/2021	09:57:26	3.7	222300	00:00:02	234000	234000	MVM Securities Pvt. Ltd.	Ruchi Gupta.
16/02/2021	09:57:26	3.6	11700	00:00:10	11700	234000	MVM Securities Pvt. Ltd.	Ruchi Gupta.
19/02/2021	12:02:31	0.25	222300	00:00:02	222300	234000	Benison Stock Broking Pvt. Ltd	MVM Securities Pvt. Ltd.
19/02/2021	12:02:40	0.3	11700	00:00:11	11700	11700	Benison Stock Broking Pvt. Ltd	MVM Securities Pvt. Ltd.
22/02/2021	12:09:01	0.6	222300	00:00:02	222300	222300	Ruchi Gupta.	Benison Stock Broking Pvt. Ltd



9. The summary of the circular transactions of the positions are as follows:-

Sr. No.	Start Date	End Date	Symbol	Option Type	Strike Price	Expiry Date	Qty involved in circular transactions (CT)	Initiation of CT	Total Qty traded	% of circulated qty to the total qty traded during the day
1	01-Feb-2021	04-Feb-2021	FEDERALBNK	PE	61.00	25-Feb-2021	500000	01.02.2021	500000	100
2	01-Feb-2021	19-Feb-2021	GAIL	PE	102.50	25-Feb-2021	305000	01.02.2021	305000	100
3	01-Feb-2021	04-Feb-2021	NMDC	PE	92.50	25-Feb-2021	335000	01.02.2021	335000	100
4	01-Feb-2021	04-Feb-2021	NTPC	PE	78.00	25-Feb-2021	399000	01.02.2021	404700	99



Sr. No.	Start Date	End Date	Symbol	Option Type	Strike Price	Expiry Date	Qty involved in circular transactions (CT)	Initiation of CT	Total Qty traded	% of circulated qty to the total qty traded during the day
5	01-Feb-2021	04-Feb-2021	ONGC	PE	78.00	25-Feb-2021	385000	01.02.2021	431200	89
6	01-Feb-2021	04-Feb-2021	PFC	PE	97.50	25-Feb-2021	310000	01.02.2021	322400	96
7	01-Feb-2021	04-Feb-2021	RECLTD	PE	112.50	25-Feb-2021	300000	01.02.2021	324000	93
8	02-Feb-2021	08-Feb-2021	VEDL	PE	152.50	25-Feb-2021	235600	02.02.2021	310000	76
9	03-Feb-2021	08-Feb-2021	IOC	PE	89.00	25-Feb-2021	260000	03.02.2021	429000	61
10	03-Feb-2021	12-Feb-2021	MANAPPURAM	CE	192.50	25-Feb-2021	240000	03.02.2021	258000	93
11	08-Feb-2021	11-Feb-2021	FEDERALBNK	PE	72.00	25-Feb-2021	460000	08.02.2021	640000	72
12	09-Feb-2021	12-Feb-2021	BANKBARODA	PE	71.00	25-Feb-2021	468000	09.02.2021	1158300	40
13	09-Feb-2021	11-Feb-2021	IDFCFIRSTB	PE	41.00	25-Feb-2021	456000	09.02.2021	2451000	19
14	09-Feb-2021	12-Feb-2021	ONGC	PE	82.00	25-Feb-2021	385000	09.02.2021	477400	81
15	09-Feb-2021	12-Feb-2021	VEDL	CE	197.50	25-Feb-2021	248000	09.02.2021	719200	34
16	11-Feb-2021	18-Feb-2021	CANBK	PE	132.50	25-Feb-2021	270000	11.02.2021	318600	85
17	12-Feb-2021	18-Feb-2021	IOC	PE	84.00	25-Feb-2021	325000	12.02.2021	325000	100
18	12-Feb-2021	18-Feb-2021	MANAPPURAM	PE	157.50	25-Feb-2021	240000	12.02.2021	306000	78
19	12-Feb-2021	19-Feb-2021	AMBUJACEM	PE	245.00	25-Feb-2021	87000	12.02.2021	192000	45
20	12-Feb-2021	18-Feb-2021	L&TFH	PE	81.85	25-Feb-2021	437276	12.02.2021	544364	80
21	12-Feb-2021	19-Feb-2021	APOLLOTYRE	PE	212.50	25-Feb-2021	200000	12.02.2021	260000	77
22	08-Feb-2021	16-Feb-2021	EXIDEIND	PE	187.50		266400	08.02.2021 (180000) & 18.02.2021 (86400)	08.02.2021 (180000) & 18.02.2021 (90000)	100 & 96
23	12-Feb-2021	17-Feb-2021	FEDERALBNK	PE	71.00	25-Feb-2021	410000	12.02.2021	620000	66
24	12-Feb-2021	18-Feb-2021	NMDC	PE	107.50	25-Feb-2021	328300	12.02.2021	335000	98
25	08-Feb-2021	16-Feb-2021	TORNTPOWER	PE	295.00	25-Feb-2021	120000	08.02.2021	120000	100
26	08-Feb-2021	12-Feb-2021	CANBK	PE	137.50	25-Feb-2021	270000	08.02.2021	275400	98
27	05-Mar-2021	09-Mar-2021	AMBUJACEM	PE	255.00	25-Mar-2021	147000	05.03.2021	153000	96
28	08-Mar-2021	16-Mar-2021	APOLLOTYRE	PE	217.50	25-Mar-2021	200000	08.03.2021	220000	91
29	02-Mar-2021	16-Mar-2021	BEL	PE	122.50	25-Mar-2021	608000	02.03.2021 (304000) & 09.03.2021 (304000)	02.03.2021 (456000) & 09.03.2021 (387600)	67 & 78
30	08-Mar-2021	16-Mar-2021	COALINDIA	CE	172.50	25-Mar-2021	289800	08.03.2021	357000	81



Sr. No.	Start Date	End Date	Symbol	Option Type	Strike Price	Expiry Date	Qty involved in circular transactions (C T)	Initiation of CT	Total Qty traded	% of circulated qty to the total qty traded during the day
31	02-Mar-2021	08-Mar-2021	CUB	PE	152.50	25-Mar-2021	492900	02.03.2021 (248000) & 10.03.2021 (244900)	02.03.2021 (251100) & 10.03.2021 (254200)	98 & 96
32	22-Feb-2021	08-Mar-2021	FEDERALBNK	PE	71.00	25-Mar-2021	600000	22.02.2021 (120000) & 02.03.2021 (480000)	22.02.2021 (120000) & 02.03.2021 (670000)	100 & 72
33	09-Mar-2021	15-Mar-2021	GRANULES	PE	305.00	25-Mar-2021	120900	09.03.2021	124000	98
34	05-Mar-2021	16-Mar-2021	INDUSTOWER	PE	215.00	25-Mar-2021	140000	05.03.2021	148400	94
35	02-Mar-2021	12-Mar-2021	IOC	PE	91.00	25-Mar-2021	669500	02.03.2021 (390000) & 09.03.2021 (279500)	02.03.2021 (520000) & 09.03.2021 (429000)	75 & 65
36	05-Mar-2021	16-Mar-2021	ITC	PE	192.50	25-Mar-2021	192000	05.03.2021	572800	34
37	02-Mar-2021	08-Mar-2021	MOTHERSUMI	PE	192.50	25-Mar-2021	210000	02.03.2021	217000	97
38	09-Mar-2021	16-Mar-2021	MOTHERSUMI	PE	202.50	25-Mar-2021	210000	09.03.2021	308000	68
39	02-Mar-2021	08-Mar-2021	NMDC	PE	112.50	25-Mar-2021	201000	02.03.2021	268000	75
40	08-Mar-2021	15-Mar-2021	NTPC	PE	98.00	25-Mar-2021	285000	08.03.2021	587100	49
41	02-Mar-2021	08-Mar-2021	PETRONET	PE	225.00	25-Mar-2021	327000	02.03.2021 (180000), 10.03.2021 (147000)	02.03.2021 (192000) & 10.03.2021 (165000)	94 & 89
42	05-Mar-2021	09-Mar-2021	PFC	PE	117.50	25-Mar-2021	310000	05.03.2021	328600	94
43	05-Mar-2021	16-Mar-2021	POWERGRID	PE	197.50	25-Mar-2021	200000	05.03.2021	236000	85
44	09-Mar-2021	12-Mar-2021	TORNTPOWER	PE	375.00	25-Mar-2021	120000	09.03.2021	120000	100
45	02-Mar-2021	08-Mar-2021	VEDL	PE	182.50	25-Mar-2021	248000	02.03.2021	254200	98
46	08-Mar-2021	16-Mar-2021	VEDL	PE	192.50	25-Mar-2021	248000	08.03.2021	297600	83
47	17-Mar-2021	19-Mar-2021	RECLTD	PE	142.50	25-Mar-2021	198000	17.03.2021	396000	50
48	02-Feb-2021	09-Feb-2021	APOLLOTYRE	PE	187.50	25-Feb-2021	110000	02.02.2021	110000	100
49	12-Mar-2021	18-Mar-2021	VEDL	PE	197.50	25-Mar-2021	80600	12.03.2021	105400	76
50	17-Feb-2021	08-Mar-2021	GAIL	PE	122.50	25-Mar-2021	244000	03.03.2021 (103700) & 17.02.2021 (140300)	17.02.2021 (152500) & 03.03.2021 (103700)	100 & 92



Sr. No.	Start Date	End Date	Symbol	Option Type	Strike Price	Expiry Date	Qty involved in circular transactions (C T)	Initiation of CT	Total Qty traded	% of circulated qty to the total qty traded during the day
51	16-Feb-2021	02-Mar-2021	BEL	PE	117.50	25-Mar-2021	144000	16.02.2021	159600	90
52	22-Feb-2021	03-Mar-2021	NTPC	PE	91.00	25-Mar-2021	285000	22.02.2021	285000	100
53	01-Feb-2021	04-Feb-2021	IOC	PE	82.00	25-Feb-2021	325000	01.02.2021	325000	100
54	18-Feb-2021	02-Mar-2021	L&TFH	PE	81.40	25-Mar-2021	437276	18.02.2021	455124	96
55	03-Feb-2021	16-Feb-2021	L&TFH	PE	81.40	25-Feb-2021	446200	03.02.2021	446200	100
56	02-Mar-2021	17-Mar-2021	APOLLOTYRE	PE	212.50	25-Mar-2021	350000	02/03/2021 (200000) & 12.03.2021 (150000)	02.03.2021(205000) & 12.03.2021(170000)	98 & 88
57	16-Feb-2021	26-Feb-2021	BANKBARODA	PE	67.00	25-Mar-2021	222300	16.02.2021	245700	90

10. From the above analysis, following are observed:

- In all the 57 contracts, 67 circular transactions were carried out for squaring off the positions;
- The above pattern of trades in 57 contracts/67 circular transactions indicated that positions were getting squared off actively/repeatedly among the suspected/connected entities mostly in a circular fashion in all the 57 contracts. Further, it was observed that most of the positions were squared off by the Noticees with each other and more than 90% of the quantity were squared off within a gap of 2-6 days. The said pattern of circular transactions and squared off positions indicated that they were non-genuine trades among suspected entities and created misleading appearance of trading in the contracts;
- Further, from the analysis of price movement of underlying scrip of some contracts, it was observed that the trades were executed in the above contracts irrespective of market movement of the underlying price. For example, the price movement of the underlying scrip in one contract namely AMBUJACEM245PE2502 was analysed in which the circular transactions were completed between February 12, 2021 to February 19, 2021. The price movement of the underlying scrip of this contract was as follows:



Date	Close (in Rs.)
19-Feb-21	275.3
18-Feb-21	282.8
17-Feb-21	286.65
16-Feb-21	284.05
15-Feb-21	283.4
12-Feb-21	277.45
11-Feb-21	276.9
10-Feb-21	271.9
09-Feb-21	270.55
08-Feb-21	274.35

During the above contracts, it was observed that the loss making entity, viz., Noticee No. 1 bought put options (expiry February 25) from Benison Stock Broking Private Limited on February 12, 2021 and sold the same after 3 days, i.e., February 15, 2021 to the connected entity, i.e., Noticee No. 3;

(d) Further from the analysis, it was observed that in 39 contracts out of 57 contracts, the quantity involved in the circular transactions were more than 80% of the total traded volume of the same day;

(e) The details of involvement of the suspected entities in the aforesaid 67 circular transactions are as follows:

Sr. No.	Name of the suspected entities	No. of circular transactions in which the entity were involved	%of total circular transactions
1	MVM Securities Private Limited	65	97%
2	MVM Commodities Private Limited	3	4%
3	Govinda Share & Securities Private Limited	15	22%
4	Epoch Synthetics Private Limited	27	40%
5	Navin Textile Marketing Private Limited	19	28%
6	Trinetra Company Private Limited	7	10%
7	Kedia Fintrade Private Limited	3	4%
8	Suresh Kumar Khimajibhai Doshi	44	66%
9	Benison Stock Broking Private Limited	18	25%
10	Ruchi Gupta	5	7%
11	Tower Research Capital Markets India Private Limited	8	12%



- (f) Further, from the analysis, it was observed that the aforesaid transactions were executed with a significant difference in premium. In the said circular transactions, it was observed that one set of entities were making positive square off difference in all cases and the other set in majority of cases, negative square off difference. For example, the profit and loss made by the suspected entities in one contract namely AMBUJACEM46PE2502 was analysed. The trading details of the suspected entities involved in the three way reversals are as follows:

Trade date	Traded Price (Rs.)	Traded Qty	Time diff between buy & Sell order	Buy Client	Sell Client
12/02/2021	2.7	87000	00:00:03	MVM Securities Pvt. Ltd.	Benison Stock Broking Pvt.Ltd
12/02/2021	1.75	3000	00:10:17	MVM Securities Pvt. Ltd.	Benison Stock Broking Pvt.Ltd
15/02/2021	0.8	90000	00:00:21	Govinda Share & Secu Pvt. Ltd.	MVM Securities Pvt. Ltd.
15/02/2021	0.75	84000	00:00:03	Benison Stock Broking Pvt. Ltd.	Govinda Share & Secu Pvt. Ltd.
19/02/2021	0.15	3000	00:00:08	Benison Stock Broking Pvt. Ltd.	Govinda Share & Secu Pvt. Ltd.

From the above table, it was observed that in the aforesaid contract the profit making entity was Benison Stock Broking who made profit and other 2 entities namely Noticee No. 1 and Noticee No. 3 made losses.

- (g) Further, the profit made by the first leg seller of the circular transactions were also analysed. The profit made by the first leg sellers in the contracts through circular transactions are as follows:

Sr. No.	Name of the contract	Entity Name	Profit (Rs.)
1	AMBUJACEM 245 PE 2502	Benison Stock Broking Pvt. Ltd.	171450
2	AMBUJACEM 255 PE 2503	Navin Textile Marketing Private Limited	294000
3	APOLLOTYRE 187.50 PE 2502	Ruchi Gupta	494000
4	APOLLOTYRE 212.50 PE 2503	Epoch Synthetics Pvt. Ltd.	737250
		Ruchi Gupta	158750
5	APOLLOTYRE 217.50 PE 2503	Epoch Synthetics Pvt. Ltd.	843000
6	APOLLOTYRE 212.50 PE 2502	Navin Textile Marketing Private Limited	419500
7	BANKOFBARODA 67 PE 2503	Ruchi Gupta	689130
8	BANKOFBARODA71PE 2502	Epoch Synthetics Pvt. Ltd.	439335



Sr. No.	Name of the contract	Entity Name	Profit (Rs.)
9	BEL 117.50 PE 2503	Pawan Kumar Modi	382660
10	BEL 122.50 PE 2503	Epoch Synthetics Pvt. Ltd.	288800
		Epoch Synthetics Pvt. Ltd.	455620
11	CANB 132.50 PE 2502	Epoch Synthetics Pvt. Ltd.	768420
12	CANBK 137.50 PE 2502	Navin Textile Marketing Private Limited	410670
13	COALINDIA 172.50 CE 2503	Epoch Synthetics Pvt. Ltd.	594090
14	CUB 152.50 PE 2503	Kedia Fintrade Private Limited	8060
		Kedia Fintrade Private Limited	722455
		Epoch Synthetics Pvt. Ltd.	1047645
15	EXIDEIND 187.50 PE 2502	Benison Stock Broking Pvt. Ltd.	95040
		Navin Textile Marketing Private Limited	462600
16	FEDRALBANK 61 PE 2502	Epoch Synthetics Pvt. Ltd.	672000
17	FEDRALBANK 71 PE 2502	Navin Textile Marketing Private Limited	717000
18	FEDRALBANK 71 PE 2503	Navin Textile Marketing Private Limited	672000
		Benison Stock Broking Pvt. Ltd.	261000
19	FEDRALBANK 72 PE 2502	Epoch Synthetics Pvt. Ltd.	576000
20	GAIL 102.50 PE 2502	Epoch Synthetics Pvt. Ltd.	531920
21	GAIL 122.50 PE 2503	Rathi Sangeeta Sachin	140605
		Benison Stock Broking Pvt. Ltd.	477020
22	GRANULES 305 PE 2503	Navin Textile Marketing Private Limited	495690
23	IDFCFIRSTB 41 PE 2502	Epoch Synthetics Pvt. Ltd.	546250
24	INDUSTOWER 215 PE 2503	Navin Textile Marketing Private Limited	651840
25	IOC 82 PE 2502	Trinetra Company Pvt. Ltd.	503425
26	IOC 84 PE 2502	Epoch Synthetics Pvt. Ltd.	392275
27	IOC 89 PE 2502	Trinetra Company Pvt. Ltd.	13650
28	IOC 91 PE 2503	Epoch Synthetics Pvt. Ltd.	301150
		Navin Textile Marketing Private Limited	353925
29	ITC 192.50 PE 2503	Epoch Synthetics Pvt. Ltd.	198240
30	L&TFH 81.40 PE 2502	Epoch Synthetics Pvt. Ltd.	514022.4
31	L&TFH 81.40 PE 2503	Ashwin Kamdar (HUF)	895969.6
32	L&TFH 81.85 PE 2502	Epoch Synthetics Pvt. Ltd.	589876.4
33	MANAPURRAM 157.50 PE 2502	Epoch Synthetics Pvt. Ltd.	687600



Sr. No.	Name of the contract	Entity Name	Profit (Rs.)
34	MANAPURRAM 192.50 PE 2502	Trinetra Company Pvt. Ltd.	636600
35	MOTHERSUMI 192.50 PE 2503	Navin Textile Marketing Private Limited	602000
36	MOTHERSUMI 202.50 PE 2503	Epoch Synthetics Pvt. Ltd.	724150
37	NMDC 92.50 PE 2502	Trinetra Company Pvt. Ltd.	605345
38	NMDC 107.50 PE 2502	Navin Textile Marketing Private Limited	1075015
39	NMDC 112.50 PE 2503	Navin Textile Marketing Private Limited	364145
40	NTPC 78 PE 2502	Trinetra Company Pvt. Ltd.	876090
41	NTPC 91 PE 2503	Ruchi Gupta	534090
42	NTPC 98 PE 2503	Trinetra Company Pvt. Ltd.	541215
43	ONGC 78 PE 2502	Epoch Synthetics Pvt. Ltd.	736120
44	ONGC 82 PE 2502	Epoch Synthetics Pvt. Ltd.	557865
45	PETRONET 225 PE 2503	Kedia Fintrade Private Limited	110250
		Epoch Synthetics Pvt. Ltd.	467700
46	PFC 97.50 PE 2502	Epoch Synthetics Pvt. Ltd.	711760
47	PFC 117.50 PE 2503	Navin Textile Marketing Private Limited	637980
48	POWERGRID 197.50 PE 2503	Navin Textile Marketing Private Limited	370600
49	RECLTD 112.50 PE 2502	Trinetra Company Pvt. Ltd.	465900
50	RECLTD 142.50 PE 2503	Yashika Agarwal	464700
51	TORNTPOWER 295 PE 2502	Navin Textile Marketing Private Limited	536400
52	TORNTPOWER 375 PE 2503	Navin Textile Marketing Private Limited	480600
53	VEDL 152.50 PE 2502	Epoch Synthetics Pvt. Ltd.	424080
54	VEDL 182.50 PE 2503	Navin Textile Marketing Private Limited	462830
55	VEDL 192.50 PE 2503	Navin Textile Marketing Private Limited	669600
56	VEDL 197.50 CE 2502	Epoch Synthetics Pvt. Ltd.	556760
57	VEDL 197.50 PE 2503	Ruchi Gupta	357120
		Rathi Sangeeta Sachin	173290
		TOTAL	33816138

From the analysis of above table, it was observed that in above contracts, connected/suspected entities were 1st leg in circular transactions in 53 contracts and in other 4 contracts they were part of the circular transactions.



Being the 1st leg in three way reversals in 53 contracts, they made profit of Rs. 3.18 crore during the IP. The summary of the same are as follows:

Sr. No.	Suspected entities name	Profit (in Rs. lakh)	No of circular transactions
1	Epoch Synthetics Pvt. Ltd.	143.62	25
2	Navin Textile Marketing Private Limited	96.76	18
3	Trinetra Company Pvt. Ltd.	36.42	7
4	Ruchi Gupta	22.33	5
5	Benison Stock Broking Pvt. Ltd.	10.05	4
6	Kedia Fintrade Private Limited	8.40	3
	Total	317.59	62

(h) Further, it was observed that some suspected entities had squared off their position with negative square off difference in the aforesaid contracts. The contract wise details of the same are as follows:

Sr. No.	Contract	Name Of Suspected Entities	Loss
1	AMBUJACEM 245 PE 2502	MVM Securities Pvt. Ltd.	-165300
		Govinda Share & Secu Pvt. Ltd.	-6150
2	AMBUJACEM 255 PE 2503	MVM Securities Pvt. Ltd.	-198450
		Sureshkumar Khimajibhai Doshi	-95550
3	APOLLOTYRE 187.50 PE 2502	MVM Securities Private Limited	-559750
		Sureshkumar Khimajibhai Doshi	-134750
4	APOLLOTYRE 212.50 PE 2503	MVM Securities Pvt. Ltd.	-299750
		MVM Securities Pvt. Ltd.	-409500
		Govinda Share & Secu Pvt. Ltd.	141000
5	APOLLOTYRE 217.50 PE 2503	MVM Securities Pvt. Ltd.	-429500
		Sureshkumar Khimajibhai Doshi	-413500
6	APPOLLOTYRE 212.50 PE 2502	MVM Securities Pvt. Ltd.	-398000
		Govinda Share & Secu Pvt.Ltd.	-21500
7	Bank of baroda 67 PE 2503	MVM Securities Pvt. Ltd.	-766935
8	Bankofbaroda71PE 2502	MVM Securities Pvt. Ltd.	-17550
		Sureshkumar Khimajibhai Doshi	-421785
9	BEL 117.50 PE 2503	MVM Securities Pvt. Ltd.	-491080
10	BEL 122.50 PE 2503	MVM Securities Pvt. Ltd.	-258020
		Sureshkumar Khimajibhai Doshi	-30780
11	CANB 132.50 PE 2502	MVM Securities Pvt. Ltd.	-700920
		Govinda Share & Secu Pvt. Ltd.	-220050
12	CANBK 137.50 PE 2502	MVM Securities Pvt. Ltd.	-674190
13	COALINDIA 172.50 CE 2503	MVM Securities Pvt. Ltd.	-550620
14	CUB 152.50 PE 2503	MVM Commodities Pvt. Ltd	-820415
		Govinda Share & Secu Pvt. Ltd.	97960
		MVM Securities Pvt. Ltd.	-737645



Sr. No.	Contract	Name Of Suspected Entities	Loss
		Sureshkumar Khimajibhai Doshi	-310000
		MVM Securities Pvt. Ltd.	-8215
		Govinda Share & Secu Pvt. Ltd	155
15	EXIDEIND 187.50 PE 2502	MVM Securities Pvt. Ltd.	-515880
		Sureshkumar Khimajibhai Doshi	-362520
		MVM Securities Pvt. Ltd.	-77760
16	Fedralbank 61 PE 2502	MVM Securities Pvt. Ltd.	-597000
17	FEDRALBANK 71 PE 2502	MVM Securities Pvt. Ltd.	-696000
18	FEDRALBANK 71 PE 2503	MVM Securities Pvt. Ltd.	-249000
		Sureshkumar Khimajibhai Doshi	-12000
		MVM Securities Pvt. Ltd.	-431500
19	FEDRALBANK 72 PE 2502	MVM Securities Pvt. Ltd.	-418500
20	GAIL 102.50 PE 2502	MVM Securities Pvt. Ltd.	-303170
21	GAIL 122.50 PE 2503	MVM Securities Pvt. Ltd.	-51545
22	GRANULES 305 PE 2503	MVM Securities Pvt. Ltd.	-302250
23	IDFCFIRSTB 41 PE 2502	MVM Securities Pvt. Ltd.	-523450
		Sureshkumar Khimajibhai Doshi	-22800
24	INDUSTOWER 215 PE 2503	MVM Securities Pvt. Ltd.	-545860
		Sureshkumar Khimajibhai Doshi	-105980
25	IOC 82 PE 2502	MVM Securities Pvt. Ltd.	-502775
		Sureshkumar Khimajibhai Doshi	-650
26	IOC 84 PE 2502	MVM Securities Pvt. Ltd.	-454675
27	IOC 89 PE 2502	MVM Securities Pvt. Ltd.	-323700
28	IOC 91 PE 2503	MVM Securities Pvt. Ltd.	-331175
		Sureshkumar Khimajibhai Doshi	-22750
		Sureshkumar Khimajibhai Doshi	-242450
		MVM Securities Pvt. Ltd.	-69875
29	ITC 192.50 PE 2503	MVM Securities Pvt. Ltd.	-191840
		Sureshkumar Khimajibhai Doshi	-9440
30	L&TFH 81.40 PE 2502	MVM Securities Pvt. Ltd.	-667515.2
		Sureshkumar Khimajibhai Doshi	-393548.4
31	L&TFH 81.40 PE 2503	MVM Securities Pvt. Ltd.	-939697.2
32	L&TFH 81.85 PE 2502	MVM Securities Pvt. Ltd.	-568012.6
		Govinda Share & Secu Pvt.Ltd.	-21863.8
33	MANAPURRAM 157.50 PE 2502	MVM Securities Pvt. Ltd.	-743400
34	MANAPURRAM 192.50 PE 2502	MVM Securities Pvt. Ltd.	60900
		Sureshkumar Khimajibhai Doshi	-697500
35	MOTHERSUMI 192.50 PE 2503	MVM Securities Pvt. Ltd.	-409150
		Sureshkumar Khimajibhai Doshi	-192850
36	MOTHERSUMI 202.50 PE 2503	MVM Securities Pvt. Ltd.	-283150
		Sureshkumar Khimajibhai Doshi	-441000
37	NMDC 92.50 PE 2502	MVM Securities Pvt. Ltd.	-333995
		Sureshkumar Khimajibhai Doshi	-271350
38	NMDC 107.50 PE 2502	MVM Securities Pvt. Ltd.	-1001315
		Govinda Share & Secu Pvt. Ltd.	-73700
39	NMDC 112.50 PE 2503	MVM Securities Pvt. Ltd.	-311215



Sr. No.	Contract	Name Of Suspected Entities	Loss
		Sureshkumar Khimajibhai Doshi	-52930
40	NTPC78 PE2502	MVM Securities Pvt. Ltd.	-636690
		Sureshkumar Khimajibhai Doshi	-239400
41	NTPC 91 PE 2503	Sureshkumar Khimajibhai Doshi	-516990
		MVM Securities Pvt. Ltd.	-139365
42	NTPC 98 PE 2503	MVM Securities Pvt. Ltd.	-541215
43	ONGC 78 PE 2502	MVM Securities Pvt. Ltd.	-690690
		Sureshkumar Khimajibhai Doshi	-59675
44	ONGC 82 PE 2502	MVM Securities Pvt. Ltd.	-595595
		Sureshkumar Khimajibhai Doshi	37730
45	PETRONET 225 PE 2503	MVM Securities Pvt. Ltd.	-305700
		Sureshkumar Khimajibhai Doshi	-162000
		MVM Commodities Pvt.Ltd	-191100
		Govinda Share & Secu Pvt. Ltd.	80850
46	PFC 97.50 PE 2502	MVM Securities Pvt. Ltd.	-680140
		Sureshkumar Khimajibhai Doshi	-31620
47	PFC 117.50 PE 2503	MVM Securities Pvt. Ltd.	-470890
		Sureshkumar Khimajibhai Doshi	-167090
48	POWERGRID 197.50 PE 2503	MVM Securities Pvt. Ltd.	-199800
		Sureshkumar Khimajibhai Doshi	-170800
49	RECLTD 112.50 PE 2502	MVM Securities Pvt. Ltd.	-434100
		Sureshkumar Khimajibhai Doshi	-31800
50	RECLTD 142.50 PE 2503	Govinda Share & Secu Pvt. Ltd.	-573600
		MVM Securities Pvt. Ltd.	108900
51	TORNTPOWER 295 PE 2502	MVM Securities Pvt. Ltd.	-521400
		Sureshkumar Khimajibhai Doshi	-350700
52	TORNTPOWER 375 PE 2503	MVM Securities Pvt. Ltd.	-101850
		Sureshkumar Khimajibhai Doshi	-378750
53	VEDL 152.50 PE 2502	MVM Securities Pvt. Ltd.	-318060
		Sureshkumar Khimajibhai Doshi	-106020
54	VEDL 182.50 PE 2503	MVM Securities Pvt. Ltd.	-447020
		Sureshkumar Khimajibhai Doshi	-16430
55	VEDL 192.50 PE 2503	MVM Securities Pvt. Ltd.	-247690
		Sureshkumar Khimajibhai Doshi	-421910
56	VEDL 197.50 CE 2502	MVM Securities Pvt. Ltd.	-321780
		Sureshkumar Khimajibhai Doshi	-234980
57	VEDL 197.50 PE 2503	MVM Securities Pvt. Ltd.	-157170
		Govinda Share & Secu Pvt. Ltd.	-16120
		MVM Securities Pvt. Ltd.	-349680
		Govinda Share & Secu Pvt. Ltd.	-7440

11. From the analysis of above table, it was observed that 4 connected entities had squared off their positions with negative difference of approx. Rs. 3.42 crore. The details of the same are as follows:



Sr. No.	Name of the suspected entities	Amount (Rs. In lakh) (Loss)	No. of contracts
1	MVM Securities Private Limited	255.01	54
2	SureshKumar Khimajibhai Doshi	71	34
3	Govinda Share and Secu Private Limited	6.20	10
4	MVM Commodities Private Limited	10	2
	Total Negative diff	342.21	

12. Mr. Siddhant Mehrotra had taken trading decisions and placed orders on behalf of three suspected entities namely Noticee No. 4, Noticee No. 6 and Noticee No. 7 for making profit/loss respectively and involved in the manipulative circular transactions. The said pattern of circular transactions and squaring off positions indicated that they were non-genuine trades among suspected entities and created misleading appearance of trading in the contracts.
13. Further, it was observed that Kedia Fintrade which had only one basis of connection, was involved in 3 circular transactions, i.e., 4% of the total circular transactions.
14. In view of the aforesaid, it was alleged as under:
- (a) The pattern of trades in 57 contracts indicates that positions were getting squared off actively/repeatedly among the suspected entities mostly in a circular fashion in all the 57 contracts. Further, it was observed that most of the positions were squared off by them with each other and more than 90% of the quantity were squared off within a gap of 2-6 days. The said pattern of circular transactions and squared off positions indicated that they were non-genuine trades among suspected entities and created misleading appearance of trading in the contracts. There was a predetermined arrangement to square off the trades and book profits and losses respectively;
- (b) The aforesaid entities indulged in execution of trades in stock options segment of NSE in a circular fashion;



- (c) The aforesaid circular transactions were done with a significant difference of contracts prices. In the said circular transactions, it was observed that some entities were making positive square off difference and some entities were making negative square off difference;
- (d) From the analysis of circular transactions and squaring off the positions, it was observed that in above contracts, connected/suspected entities were 1st leg in circular transactions in 53 contracts and other 4 contracts they were part of the circular transactions. Being the 1st leg in circular transactions in 53 contracts they have made profit of Rs. 3.18 crore during the IP;
- (e) Further, it was observed that 4 connected/suspected entities had squared off their positions with negative difference of approx. Rs. 3.42 crore;
- (f) In 39 contracts out of 57 contracts, the quantity involved in the circular transactions were more than 80% of the total traded volume of that day.
15. Thus, considering the involvement, role and basis of connection of the entities as mentioned above, it was alleged that Noticees had violated sections 12A (a), (b), (c) of SEBI Act, 1992 read with regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and (n) of PFUTP Regulations as the trades were circular and non-genuine which created misleading appearance of trading in the said contracts.
16. The relevant extracts of submissions mentioned in the replies of the Noticees are summarized below:
- 16.1 Vide separate letters dated February 09, 2023, February 15, 2023 and May 24, 2024, Noticee Nos. 1 and 2 made common submissions:
- (a) The SCN failed to appreciate that when SEBI itself has not discharged its obligations of quick investigation, seeking explanation of the parties at that time, declaring trades in stock options as illegal at the relevant time, subjecting them to adjudication proceeding at such a belated stage of approx. 2 years is unfair and unreasonable;*



- (b) The trades were executed on the online trading platform of the exchange with due compliance with all the rules and regulations of the exchange;*
- (c) The trades in question were in the normal course of their share trading and investment activity and there is nothing amiss in the trades executed by them. All the receipts and payments for the trades were made through SEBI registered stock broker SMIFS Ltd. and banking channels with appropriate audit trails;*
- (d) That the SCN has been issued ignoring the fact that the so-called reversal or circular trades in the stock options at NSE were in fact, permissible trades, given the speculative element built in the first trade (or first leg of trade). Further every trade is a separate contract. In the very nature of intra-day trading, there has to be two orders / trades. Hence there was nothing wrong in intraday trading at prices of the choice of buyers / sellers one of them being put in adverse condition (i.e., loss suffered by one party and gain received by another party);*
- (e) They trade and invest in the stock market in ordinary course which includes their bona fide trading in option segment. Thus, it is erroneous to allege that their trades created artificial volume on NSE. Going by the logic of SEBI if these were illiquid stock options, then any trade and transaction would look significant. In fact, the impugned trades constituted a miniscule percentage of overall trades;*
- (f) They did not act in concert or in collusion with anyone and nor were we part of any group or connected with anyone for the purpose of influencing price or for any manipulative activity as alleged or otherwise. It is an admitted position that there is no connection whatsoever between them and the counter parties to the impugned trades.*

16.2 Submissions dated February 14, 2023, February 17, 2023 and June 03, 2024 by Govinda Shares & Securities Private Limited (Noticee No. 3):

- (a) It is not in dispute that the trades were executed in terms of ask and bid prices of the stock options. Needless to say the online transparent trading mechanism of the NSE is primarily instrumental in offering the trading platforms and the ask and the bid limits in the Stock Options are determined by the stock exchanges Noticee No. 3 has no role to play in terms of formulating or determining the limits. The limits were in place as had been implemented by the stock exchange presumably based on the guidelines and circulars issued by the SEBI;*
- (b) There is no allegations against Noticee No. 3 for creation of any false price in the stock options since all the trades were within the circuit filters of the day of the trade. Further, all its trades stood settled and cleared in terms pay-in and payout per stock exchange guidelines;*
- (c) It is to appreciate that SEBI itself has admitted the facts that there is no relation with counter party of trade and so there was even no possibility of*



any conspiracy between the counter parties of trade with it. Noticee No. 3 neither aware/ not involved nor have participated/ have means to verify and comment on trades of entities who were apparently counter parties to its trades;

- (d) Noticee No. 3 performed its trading as per the facilities available on the trading platform for buy and sell quotes unknowing the counter party identity at the price ranges that were permitted by the exchanges and not infringed any rules or regulations and have not disturbed any market equilibrium by involving in creating and/or misleading appearance of trading in securities market;*
- (e) The trades done by Noticee No. 3 were executed on the anonymous platform of the exchange, without any knowledge of counterparty, at price ranges that were permitted by the stock exchange and SEBI and the obligations arising out of it have been settled through the clearing mechanism of the exchange;*
- (f) The arrangement of reversal of trades as alleged could not be possible without meeting of minds and that the said SCN neither alleges meeting of mind amongst counter parties and counter party brokers nor offers any explanation in arriving at a conclusion that Noticee No. 3 was aware or could has been aware of the counter parties to its trades;*
- (g) SEBI has failed to make out any case against Noticee No. 3, let alone providing any evidence to support the allegations mentioned in the SCN. Thus, the present proceeding must be dropped against Noticee No. 3 and SCN be disposed of qua it;*
- (h) It must be appreciated that violation of the provisions of PFUTP Regulations is a serious charge and so it cannot be made on the basis of surmise and conjectures and cogent evidences are required to prove the connection. For violation of provisions of PFUTP Regulations, the degree of connections with other entities must also be strong and unambiguous and clear evidence in respect of the connection has to be established;*
- (i) Thus, the materiality has to be substantiated by evidence on record. And to the extent it applies to the instant case, the SCN, apart from mere surmises and conjectures, has not furnished any cogent material to support the allegations against it. Thus. the SCN deserves to be disposed off, since it is established that its suffers from serious latches, and no adverse inference against it may be derived therefrom.*

16.2 Submissions dated February 23, 2023, March 13, 2023 and March 30, 2025 by Sureshbhai Khimajibhai Doshi (Noticee No. 5):

- (a) SEBI has failed to define the "illiquid" in the SCN. The dealings in the stock options cannot be termed as "illiquid" and is thus based on presumptions and assumptions and hence carry no force of law.*
- (b) The scripts such as Ambuja, IOC, Appoio, NTPC, IOC, BEL, ONGC, or all other company are all highly liquid Company and some of them are part of INDEX so it is very hard to believe that options can be illiquid in these scrips because all option strike price are highly liquid in these scrips.*



- (c) *It is not in dispute that the trades were executed in terms of ask and bid prices of the stock options. Needless to say the online transparent trading mechanism of the NSE is primarily instrumental in offering the trading platforms and the ask and the bid limits in the Stock Options are determined by the Stock Exchanges. Noticee has no role to play in terms of formulating or determining the limits. The limits were in place as had been implemented by the Stock Exchange presumably.*
- (d) *There is no allegations against the Noticee for creation of any false price in the stock options since all the trades were within the circuit filters of the day of the trade. Further, all the trades stood settled and cleared in terms pay-in and payout per Stock Exchange guidelines.*
- (e) *SEBI itself has admitted the facts that there is no relation with counter party of trade and so there was even no possibility of any conspiracy between the counter parties of trade with me.*
- (f) *It is obvious for every stock traders to book the profit though because of the voracity market, sometime some have to close the position in loss too.*
- (g) *Trading was done as per the facilities available on the trading platform for buy and sell quotes unknowing the counter party identity at the price ranges that were permitted by the exchanges and not infringed any rules or regulations and have not disturbed any market equilibrium by involving in creating and/ or misleading appearance of trading in securities market.*
- (h) *In the allegation and charts of trading as shown in the SCN there is nothing to prove collusion of the parties nor has provided any evidence as to how Noticee was involved in reversal trades with the same parties and are known to each other.*
- (i) *NSE is an approved exchange for transacting options and there are set procedures, well laid systems and infrastructure to carry out the trades in a commercial manner. All transactions are backed by legal contract notes, followed by the set procedure and system laid down by the NSE.*
- (j) *The options trade are done in a systematic and legal manner through approved channel without any non compliance of any Law, Rules & Regulations of any of the authority and there is no any proof or evidence to lead proving the relationship between me and the counter party and proving the fraud played in relation to any trade including the reversal trade as alleged. All the trades were part and parcel of the regular dealings in Stock Option segment.*
- (k) *The trades done were executed on the anonymous platform of the Exchange, without any knowledge of counter party, at price ranges that were permitted by the Stock Exchange and SEBI and the obligations arising out of it have been settled through the clearing mechanism of the Exchange.*
- (l) *In the SCN, SEBI itself has admitted that there is no connections of the Noticee with any counter parties, brokers and counter party brokers, if any. Thus, the said SCN lacks credible evidence and is sought be to be dropped forthwith against the Noticee.*
- (m) *In the light of established legal position held in Saroj & Co. proprietor Sanjay Agrawal vs. SEBI Hon'ble Securities Appellate Tribunal on (18.05.2012)], it was held that “..nexus between the parties for establishing reversal trades*



has not been brought on record in the present case. The reference to mere matching of a few trades may not necessarily point to fraudulent intention of the appellant. Screen based trading functions on the basis of anonymity and sometimes orders may get matched when trades are executed keeping in mind price, time and volume. But it is important to establish the nexus between the parties, especially so in the case of a broker since he acts according to my directions...." It is therefore, reiterated, that it is impossible for the Noticee to know the identity of the counterparties because all my trades were in the anonymous order matching system of the on the platform completely in control and/or operated by the National Stock Exchange.

- (n) Such matching of trades was merely a co-incidence. Since the SCN itself is issued on the premise that the stock option were illiquid, the probability of matching of orders with same parties resulting in reversal is indeed very high and adverse inference may be drawn there from.*
- (o) It is pertinent to mention that stock exchanges regularly come out with list of illiquid scrips in cash segment. However, no such list is issued by exchanges or regulator for dealing in stock options contracts. Thus, to fasten the responsibility or allege a single individual that noticee traded in illiquid option is unwarranted and unfair.*
- (p) It is submitted that serious allegation of violation of PFUTP Regulations cannot be alleged on the basis of mere surmises and conjectures and based on the erroneous interpretation of data, as has been done in the instant case. The same is also clear from the decisions given by various courts in numerous cases.*
- (q) In option contract of IOC 91 PE 25 March 2021 actual genuine loss was Rs. 69,875 and it was wrongly mentioned in SCN as Rs 242450 and in option contract of NTPC 91 PE 25 March 2021 actual genuine loss was Rs.1,39,365 and it was wrongly mentioned in SCN as Rs. 5,16,990 so the total genuine loss figure shall be reduced by Rs. 5.5 Lacs from total Rs. 71 Lacs mentioned in SCN and final genuine loss figure will be 65.5 Lacs.*

16.3 Submissions dated February 15, 2023, February 22, 2023 and May 08, 2024 by Noticee Nos. 4, 6 and 7:

- (a) The SCN fails to appreciate that when SEBI itself has not discharged its obligations of quick investigation, seeking explanation of the parties at that time, declaring trades in stock options as illegal at the relevant time, subjecting us to adjudication proceeding at such a belated stage of approx. 2 years is unfair and unreasonable;*
- (b) Even though limitation act does not specify time limit in such case, still as per judicial pronouncements by the SAT and SC, a reasonable period has to be complied with. In support of the submission reliance is placed upon the very recent decision of SAT in Ashok Shival Rupani v. SEBI and other companion appeals in Appeal No.417 of 2018 decided on August 22, 2019 wherein the order of penalty was set aside on account of an inordinate delay in the initiation of the proceedings;*



- (c) *The trades were executed on the online trading platform of the exchange with due compliance with all the rules and regulations of the exchange;*
- (d) *At no point of time was there any warning or any observation about the share scrips in whose Stock Options trades were executed by Noticees;*
- (e) *The observations regarding the stock options being illiquid is incorrect;*
- (f) *Even assuming by any stretch of imagination the stock options were illiquid, then any small quantity or volumes would look significant as there are no active traders in the said stock option.*
- (g) *For the transaction to be termed fraudulent, as per the definition of "fraud", there has to be an "Inducement" and SEBI has not even alleged Inducement;*
- (h) *Their trading in option segment was low percentage of overall volume in market. The total number of alleged non-genuine trades were only 22(9 buy and 13 sell) in 8 contracts only which if compared with the alleged 57 numbers of contracts and 67 numbers of alleged circular transactions amongst 11 entities during the said IP, it is only a fraction of approx. 22%. Hence, it is erroneous to allege that their trade created artificial volume on NSE;*
- (i) *The trades in question were in the normal course of their share trading and investment activity and there is nothing amiss in the trades executed by them during the said I.P. Which will reveal how frequently and in substantial volume they were trading in different options;*
- (j) *The allegations are made ignoring the fact that there was nothing abnormal or non-genuine about their trades as their said alleged objectionable trades were in fact approved by NSE at the relevant time. The allegations are made ignoring the SEBI Circular CIR/MRD/DP/14/2014 dated 23 April, 2014 which made it incumbent upon the exchanges to put in place effective mechanisms and procedures to monitor collusion and to safe guard the market integrity. Despite that, NSE failed to adopt effective preventive safeguards and mechanisms prior to introducing its product of illiquid stock options;*
- (k) *The SCN has been issued ignoring the fact that the so-called reversal or circular trades in the stock options at NSE were in fact, permissible trades, given the speculative element built in the first trade (or first leg of trade). Further, every trade is a separate contract. In the very nature of intra-day trading, there has to be two orders / trades. Hence there was nothing wrong in intra day trading at prices of the choice of buyers / sellers - one of them being put in adverse condition (i.e., loss suffered by one party and gain received by another party);*
- (l) *As per the legal inferences drawn by adjudicating officers in similar proceedings as available from cases and adjudication orders uploaded on SEBI website, the adjudicating officers while passing those orders wrongly relied upon the orders of the Hon'ble SAT in Ketan Parekh v. SEBI (Appeal No. 2 of 2004) and the Hon'ble Apex Court order dated February 08, 2018 in the matter of SEBI v. Rakhi Trading (Civil Appeal Nos. 1969, 3174-3177) as the aforesaid orders of the Hon'ble Apex Court and the Hon'ble SAT are*



distinguishable on following accounts in the facts and circumstances of the present case(theirs);

- (m) Firstly, the aforesaid orders of the Hon'ble Apex and Hon'ble SAT pertains to the equity segment of the Stock Exchange whereas, the present case is w.r.t. Trading in the illiquid stock options contracts and here there is no impact whatsoever, on the underlying security of the option contract;*
- (n) Secondly, the aforesaid orders of the Hon'ble Apex and Hon'ble SAT pertain to fraudulent trading pattern which can be inferred from multiple factors such as frequency of transactions, persistence of parties with number of trade transactions etc. However, in the present case, their only 15 trades executed on different dates as mentioned in table supra have been considered objectionable and therefore, do not translate into manipulative or fraudulent trading pattern since the expression trading pattern encapsulates multiplicity of objectionable trades which is not the case in the present SCN;*
- (o) The allegations in the impugned SCN are untenable in law as it fails to consider the ratio laid down by the Hon'ble SAT in the matters of Indivar Traders Pvt. Ltd. v. SEBI (Hon'ble SAT order dated October 05, 2020 In Appeal No. 253 of 2020) and Vasudev Ramchandra Kamat v. SEBI (Hon'ble SAT order dated October 05, 2020 in Appeal No. 253 of 2020) wherein the Hon'ble SAT categorically laid down that miniscule trades do not translate into manipulative trading pattern as the term pattern requires multiplicity of objectionable trades which is not the case in the present SCN. Similarly, the Hon'ble SAT in Ramod Kumar Agarwal (HUF) v. Adjudicating Officer [2009] 95 SCL, 274 (SAT), observed that where there were only two trades - one on either side and this knowledge cannot be attributed to the Appellants particularly in the absence of any material that could lead one to believe otherwise, appellant cannot be held guilty of executing any fraudulent or unfair trade;*
- (p) With respect to observation that they have dealt in stock options contracts which were illiquid in nature, if it is observed the underlying scrips in which they traded, it can be established that these scrips are highly liquid in nature, i.e., frequently traded in market. They traded in contracts of underlying scrips such as PETRONET and CUB. Underlying stock of aforesaid contracts consists of companies which are part of the NIFTY/NIFTY JUNIOR/S&PS00 indices of the NSE. Thus, to allege that they deliberately traded in only those options which were illiquid in nature is unfair;*
- (q) Apparently, SEBI has held that they transacted in 'illiquid options' on the basis that their trades were squared up at substantial price difference without any basis for significant change in the contract price. This presumption is without any base and only backed by surmises and conjectures as they traded at option price as ruling at the time of the trade and within the price band/range permitted by NSE. However, in that case, it may also be concluded that said trades could have had no effect on other investors or market at large and that such illiquidity would be reason for*



- volatility and alleged 'reversal' ""circular" transactions since variations in option price would be dramatic if the chosen strike price is thinly traded;
- (r) *That derivative market is 'zero sum game' and thus, in each and every case one party will inevitably make profit and counterparty will make loss. In capital market neither NSE nor SEBI can guarantee profit or loss to any individual/ entity. In derivative trading, traders often make profit or loss over a period of time since the market does not always behave as per their prediction/ expectation. Thus, profit and loss are concomitant to trading in derivative segment. The mere fact that they traded in option segment cannot be a ground to rope them into present proceedings;*
 - (s) *Their trades did not influence the price / volume of underlying shares in cash segment;*
 - (t) *They did not act in concert or in collusion with anyone and nor were they part of any group or connected with anyone for the purpose of influencing price or for any manipulative activity as alleged or otherwise. It is an admitted position that there is no connection whatsoever between them and the counter parties to the impugned trades;*
 - (u) *They are having their office as Room No.106, Floor,1,India Exchange Place, Kolkata-700001, a fact which can again be corroborated by the Co. Master data downloaded from MCA website whereas the MVM Securities Pvt. Ltd. have their own separate room no;*
 - (v) *They have no 'connection' or 'relation' with any of the 8 (eight) nos. of counterparties or their promoters/directors/shareholders/spouses/relatives alleged to be the counterparties to their trades as mentioned in SCN. Their trading in stock option segment was independent of any other entities dealing in the same and based on their limited understanding of capital market.*

17. Vide separate letters dated April 30, 2025, May 06, 2025 and July 29, 2025, Noticees filed additional submissions and reiterated the contentions in their replies.

CONSIDERATION OF ISSUES AND FINDINGS

18. I have carefully perused the charges levelled against the Noticees in the SCN, submissions made by the Noticees and material available on record. The issues that arise for consideration in the instant matter are as follows:

Issue No. I Whether the Noticees entered into circular and non-genuine trades which created misleading appearance of trading in the stock options contracts and thereby violated sections 12A(a),(b),(c) of SEBI Act read with regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a), (n) of PFUTP Regulations?



Issue No. II If yes, whether the failure, on the part of the Noticees would attract monetary penalty under section 15HA of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5(2) of the Rules?

19. In this regard, I would like to refer to the relevant provisions which are alleged to have been violated. The said provisions are reproduced hereunder:

SEBI Act

“Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;”

Provisions of PFUTP Regulations,

“3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a 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 manipulative, fraudulent or an unfair trade practice in securities markets.

Explanation.—For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2)Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves any of the following: —

(a) knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;

...

(n) circular transactions in respect of a security entered into between persons including intermediaries to artificially provide a false appearance of trading in such security or to inflate, depress or cause fluctuations in the price of such security;”

20. Before I proceed to deal with the matter on merits, I would like to address the preliminary issue raised by Noticee Nos.1, 2, 3, 4, 6 and 7. The Noticee Nos. 1, 2 and 3 have contended that SEBI had failed to discharge its obligation of a quick investigation while Noticees 4, 6 and 7 submitted that there was a delay in issuance of SCN. In this regard, I note that the investigation was initiated against a large number of entities which apparently took considerable time to complete. The investigation commenced on October 05, 2021 and it was the investigation was concluded within a year of its commencement, hence, there was no delay which would have caused prejudice to the Noticees. Further, from the available records, it can be ascertained that adjudication proceedings were approved in the matter in the year 2022. Consequently, vide SEBI communique dated November 25, 2022, first AO was appointed in the matter and the



SCN dated December 30, 2022 was issued to the Noticees. Thereafter, on August 30, 2023, second AO was appointed to adjudicate the said matter. Subsequently, on March 18, 2024, third AO was appointed. In the meantime, one of the SCNs returned undelivered after the issuance of SCN dated December 30, 2022. Accordingly, the SCN was served upon the said Noticee by SPAD at an alternative address. Besides, Noticees had also filed settlement applications in the matter which were rejected in October 2023. Thus, as can be seen from the above, the entire process in its normal course, involved various administrative and procedural steps at different points of time. Therefore, I note that there was no delay which would have caused prejudice to the Noticees.

21. It is also relevant to note that SEBI Act does not prescribe any period of limitation for the issuance of SCNs and for the initiation of adjudication proceedings. In the matter of *SEBI v. Bhavesh Pabari* (2019) SCC Online SC 294, 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."* Similarly, Hon'ble Supreme Court in the matter of *SEBI v. Sunil Krishna Khaitan*² observed the following:

"In the absence of any period of time and limitation prescribed by the enactment, every authority is to exercise power within a reasonable period. What would be the reasonable period would depend upon facts of each case, such as whether the violation was hidden and camouflaged and thereby the Board or the authorities did not have any knowledge."

22. Further, Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**') in the matter of *Bipin R. Vora v. SEBI*³, observed as follows with respect to delay:

"As regards the plea of delay and laches and submission that the show cause notice is barred by limitation, I do not find merit in these contentions as the time and

² MANU/SC/0846/2022

³ Order dated March 22, 2006



efforts involved in an investigation though may vary from case to case, generally investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/order-trade details of all the concerned including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action for the safeguard and improvement of the system/market”

23. In view of the aforesaid, I am of the opinion that there was no delay in initiating the adjudication proceedings in the matter.

24. Noticees submitted that the SCN contains vague and broad allegations which is a violation of natural justice and would jeopardize the interests of the Noticees. In this regard, it is noted that the SCN issued to the Noticees clearly indicated the specific nature of violations that have been alleged in terms of different provisions of the SEBI Act and PFUTP Regulations. It is further noted that the Noticees had filed detailed replies dealing with each allegation in the SCN. More so, the Noticees have not identified any specific paragraph of the SCN, the contents of which could not be understood by them on account of alleged vagueness. Hence, the submissions of Noticees that SCN is vague cannot be accepted.

25. I shall now proceed to consider the matter on merits. Based on the perusal of the material available on record and facts and submissions of the Noticees and circumstances of the case, I record my findings in the following paragraphs:

I. Whether the Noticees entered into circular and non-genuine trades which created misleading appearance of trading in the stock options contracts and thereby violated sections 12A(a),(b),(c) of SEBI Act read with regulation 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a), (n) of PFUTP Regulations?

26. The allegation against the Noticees is that while dealing in the stock options contract on NSE during the investigation period, they executed three-way reversal trades that were circular in nature and were carried out for squaring off the positions. It was alleged in



the SCN that there were 67 circular transactions across 57 contracts where the positions were squared off repeatedly and actively in a circular fashion. Most positions were squared off within a gap of 2-6 days. It was also alleged in the SCN that the pattern of circular transactions and squared off positions indicated that they were non-genuine trades.

27. The connections amongst Noticees as alleged in the SCN and the submissions of the Noticees are dealt with in the following paragraphs.

28. From the UCC details, bank statements, off-market transactions, CDRs and the details of directors, the following connection is noted amongst the Noticee Nos. 1 to 4 and 6 and 7:

Table 1

Sr. No.	Name of the entities	PAN	Basis of connection
1.	MVM Securities Private Limited (Noticee No. 1)	AAECM3551F	<ul style="list-style-type: none"> Entity at Sr. No. 1 and 3 shared same email id vxxxx@rediffmail.com Entity at Sr. No. 1 and 2 shared common director namely "Sumit Agarwal" Entity at Sr. No. 1 and 2 shared same mobile no. 98XXXXXX10. Entity at Sr. No. 1, 2 and 3 shared same mobile no. 98XXXXXX71, 033-2XXXXXX5. Entity at Sr. No. 1, 2 and 3 shared same building India Exchange Plaza, Kolkata-700001. Entity at Sr. No. 1 and 7 had certain financial transaction. Entity at Sr. No. 1 and 2 shared common director namely Mr. Vikash Agarwal Entity at Sr. No. 5 and 7 shared same address 2A, Ganesh Chandra Avenue, Kolkata- 700013 Entity at Sr. No. 5 and 7 shared common director named "Siddhant Mehrotra" and Siddharth Mehrotra " Entity at Sr. No. 6 has director namely Mrs. Vanshika Mehrotra wife of Mr. Siddhant Mehrotra who is common director in the entities at Sr. No. 5 and 7
2.	MVM Commodities Pvt. Ltd. (Noticee No. 2)	AAFCM6435K	
3.	Govinda Share & Securities Pvt. Ltd. (Noticee No. 3)	AADCG6788P	
4.	Kedia Fintrade Private Limited	XXXX	
5.	Navin Textile Marketing Pvt. Ltd. (Noticee No. 4)	AADCN0524A	
6.	Epoch Synthetics Pvt. Ltd. (Noticee No. 6)	AAACE5684M	
7.	Trinetra Com. Pvt. Ltd. (Noticee No. 7)	AABCT0810F	



29. Noticee Nos. 4 and 7 have admitted to sharing a common address and director, viz., Siddhant Mehrotra. Further, Noticee Nos. 4, 6 and 7 have not disputed that they had a common director, viz., Vanshika Mehotra, wife of Siddhant Mehrotra.

30. I shall now deal with the contentions of the Noticees regarding the connections which are discussed as under:

30.1 Noticee No. 1 contended that it maintained a strict Chinese wall with Noticee No. 2. Further, Noticee Nos. 1 and 2 submitted that they were operating from separate premises with independent staff. Furthermore, they submitted that Noticee No. 2 had not placed any trades through Noticee No. 1. At the outset, I note that Noticee Nos. 1 and 2 have not disputed that they had a common director, namely Mr. Sumit Agarwal. Further, I find that the assertions of Noticee Nos. 1 and 2 are not supported by any material to demonstrate the existence or effective implementation of a Chinese wall or operation from different premises. Similarly, Noticee Nos. 1 and 2 have vaguely contended that the mobile number reflected in Table 1, which forms one of the bases for establishing connection was an old number without adducing any supporting proof whatsoever. Moreover, it is not the case of the said Noticees that the data relied upon by SEBI was inaccurate or unreliable. In the absence of any cogent rebuttal, the connections established through such data remains uncontroverted. With respect to the submission that Noticee No. 2 did not place trades through Noticee No. 1, it is pertinent to mention that the issue here is not whether trades were routed through one another, but whether Noticee Nos. 1 and 2 were connected entities. In this context, I note that Noticee Nos. 1 and 2 not only had a common director but also used the same contact number and operated from the same commercial premises, as noted from Table 1. These factors when considered holistically are sufficient to establish a connection between the said Noticees. Therefore, the argument that Noticee No. 2 did not place trades through Noticee No. 1 is irrelevant to the determination of the present issue, which concerns the existence of connection and not the placing of trades. Accordingly, the submissions advanced by Noticee Nos. 1 and 2 are untenable and are rejected.



30.2 Noticee No. 3 submitted that while it had offices in the same building as Noticee Nos. 1 and 2, the offices are on different floors / room / premises in a commercial building, therefore, the allegations are unfounded. Noticee Nos. 1, 2 and 3 submitted that in respect of the common mobile number, director and email, SEBI had considered old/inactive/closed accounts of Noticee Nos. 1, 2 and 3 and the data relied upon by SEBI is outdated and does not belong to them. In this regard, I note that factors establishing a connection between the said Noticees cannot be seen in isolation rather they have to be considered in the totality of facts. Here, I note that Noticee Nos. 1 to 3 have not disputed the veracity of the documents provided in Annexure 1 to the SCN which includes the UCC data and director details. It is also not the case of the Noticee Nos. 1 to 3 that the said details, including the common mobile number, email ids were never associated with them. Though Noticee Nos. 1, 2 and 3 have contended that the data regarding common mobile numbers and email ids pertained to their old/inactive/closed accounts, no supporting material has been provided to show that this data did not belong to them or that they were not associated with the said email ids/mobile numbers in any manner. I note that the assertion regarding the common mobile number and email ids in the investigation report (hereinafter referred to as “IR”) was based on the UCC data, which in turn was derived from the KYC details provided by the respective Noticee themselves. Therefore, I find the submission *qua* common mobile numbers and email ids unsatisfactory. I further note that the said Noticees had their offices located in Indian Exchange Place, Kolkata. It is observed from publicly available information⁴ that Indian Exchange Place, Kolkata accommodates major banks and other stock brokers as well. However, it has to be borne in mind that the connection between Noticee Nos. 1 to 3 has not been inferred solely on the basis of their common address rather it is one among many facts such as common email ids, common directors and contact number which invariably points to an inference of connection. Even assuming the fact that said data was outdated, it remains undisputed that the Noticee Nos. 1 to

⁴Available at <https://www.zaubacorp.com/company-by-address/1-INDIA-EXCHANGE-PLACE-KOLKATA-WEST-BENGAL-INDIA-700001>



3 had common mobile numbers, directors and email ids and were located at the same address which rather supports the assertion that they are connected. Further, from the statement of Mr. Vikash Agarwal, director of Noticee No. 1, it is noted that Mr. Rohit Agarwal, director of Noticee No. 3 was his nephew. Therefore, I find that Noticee Nos. 1 and 2 are connected with Noticee No. 3 and hence, the instant contention of Noticee No. 3 is untenable and appears to be an afterthought.

30.3 In respect of the alleged financial transaction with Noticee No. 7, Noticee No. 1 submitted that it had granted a loan to Noticee No. 7 way back in 2020 and interest was being paid/TDS duly deducted on such payments and the fund transfer was in the ordinary course of business. In this regard, I note that there were regular financial transactions, which include multiple debit and credit entries, between the Noticees in the period April 2020 to March 2022 as per the ledger submitted by Noticee No. 7 and the bank statements. It is pertinent to mention that the period of investigation in the present case runs from February 01, 2021 to March 25, 2021. Further, Noticees have not submitted any supporting documents before me during the proceedings to show that Noticee No. 1 had granted a loan to Noticee No. 7 in 2020. In the absence of any supporting documents, I am of the view that Noticee Nos. 1 and 7 have failed to substantiate their claims regarding the said financial transaction being a loan transaction. Here, I take note of the decision of the Hon'ble SAT in the matter of *Uni24 Techno Solutions Pvt. Ltd. v. SEBI*⁵, wherein it was, *inter alia*, held as under:

"...26. With regard to the connection, we find that noticee nos. 1, 2, 3 and 5 have not denied the funds which they have received from Vision. These entities have only stated that they received the funds in the normal course of business. We find that the only contention raised that these funds were received much before the impugned transaction on September 27, 2012 and, that in any case, these funds were not utilized for the purpose of trading. We, however, note that

⁵Appeal No. 406 of 2021 dated November 10, 2023.



for the purpose of finding as to whether the noticees were connected to each other, we find that all the noticees nos. 1, 2, 3 and 5 received funds from Vision and, therefore, there was a connection. The contention that they received the funds in the normal course of business was not believed by the WTM and the AO and we find that such finding needs no interference. In this regard, we find that noticees have not provided any details of their business activities in pursuance of which funds have been transferred. A perusal of the bank statement of Vision which is 'Annexure A' to the show cause notice indicates that Vision had five transactions with noticee nos. 1 totaling a debit of Rs. 2,14,45,000/- and total credit of Rs. 1.60 crore. Vision further had ten transactions with noticee nos. 6, two transactions with noticee nos. 7 and one transaction each with noticee nos. 2 and 3. We find from a perusal of the bank statement that the funds transaction between Vision and the noticees were of high denominations. Further, the frequency and high amounts of fund transfers points a close relation between them. Thus, the contention that these transfers were in the normal course of business without any supporting documents is untenable.” (Emphasis supplied)

30.4 Based on the discussion above and the order of Hon'ble SAT, I find the instant contention of the Noticee Nos. 1 and 7 bereft of any merit and hence, rejected.

31. In this context, I find that Noticee Nos. 1, 2 and 3 are directly connected to one another and a similar direct connection has been established between Noticee Nos. 4, 6 and 7. Further, I note that Noticee No. 7 is directly connected to Noticee No. 1 by virtue of fund transfers during the investigation period. In view of the established financial transactions between Noticee Nos. 1 and 7, Noticee Nos. 2 and 3 (who are connected to Noticee No. 1) and Noticee Nos. 4 and 6 (who are connected to Noticee No. 7) can be safely presumed to be connected to Noticee Nos. 1 and 7 between whom the connection stands established.

32. Therefore, I find that Noticee Nos. 1, 2, 3, 4, 6 and 7 are connected to each other. Their connection or nexus in the scheme of affairs is further corroborated when their trading pattern in the alleged 57 reversal contracts is analysed.

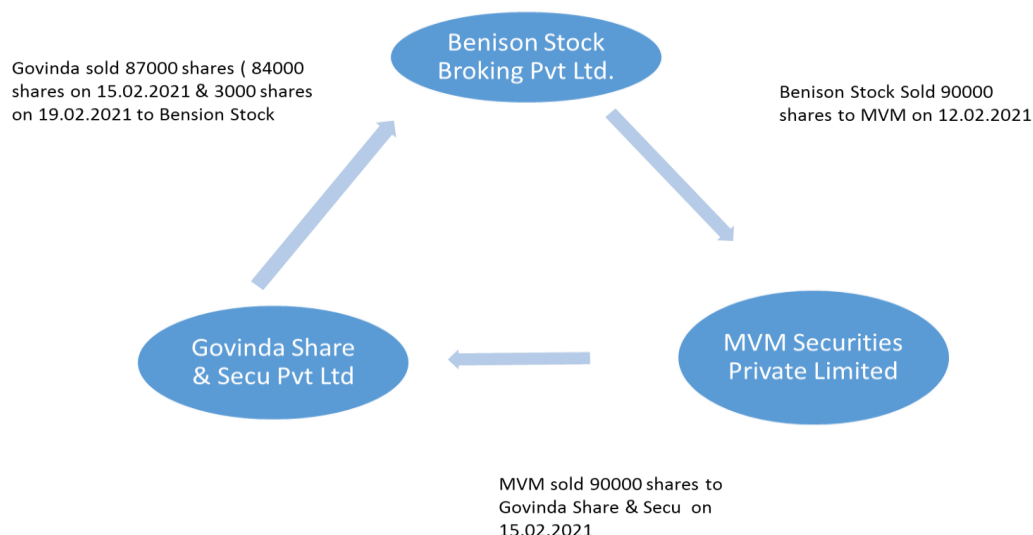


33. In this backdrop, I proceed to analyse the allegation of circular trading as against the Noticees.

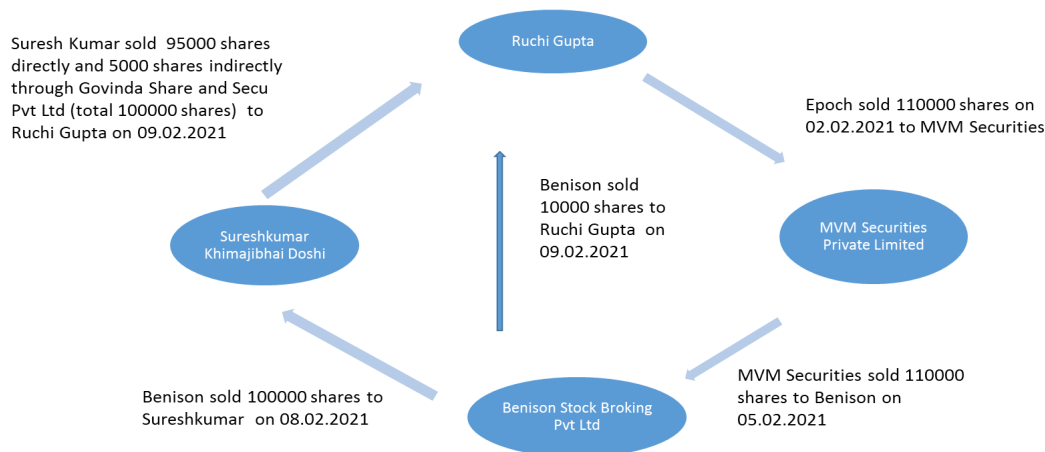
34. As noted above, 67 circular transactions in the 57 contracts were allegedly carried out for squaring off the positions by the Noticees. I note that Noticees have not disputed the veracity of the transactions mentioned in Annexure 2 to the SCN.

35. Noticees argued that the circular transactions alleged by SEBI are incomplete, as one arm of the said circular transactions has been let off, as SEBI did not find any connection of these entities, i.e., Benison Stock Broking Pvt. Ltd., Ruchi Gupta, Tower Research Capital Markets India Pvt. Ltd. and Kedia Fintrade Private Limited, with the Noticees. For reference, a few such contracts are set out below:

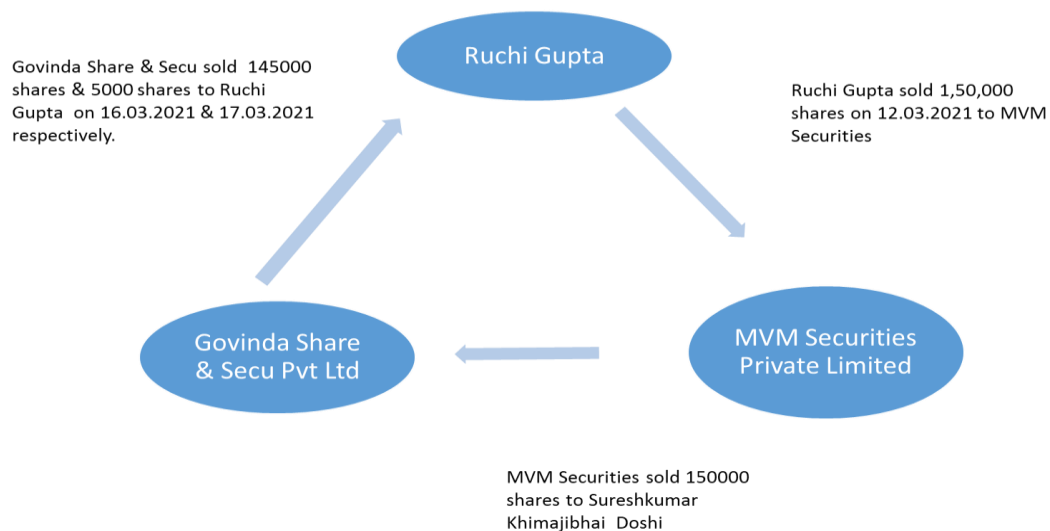
(i) **Contract No. 1:** In this contract, one of the counterparty is Benison Stock Broking Pvt. Ltd. who has not been made a party in the instant adjudication proceedings. The relevant details of the contract is depicted below:



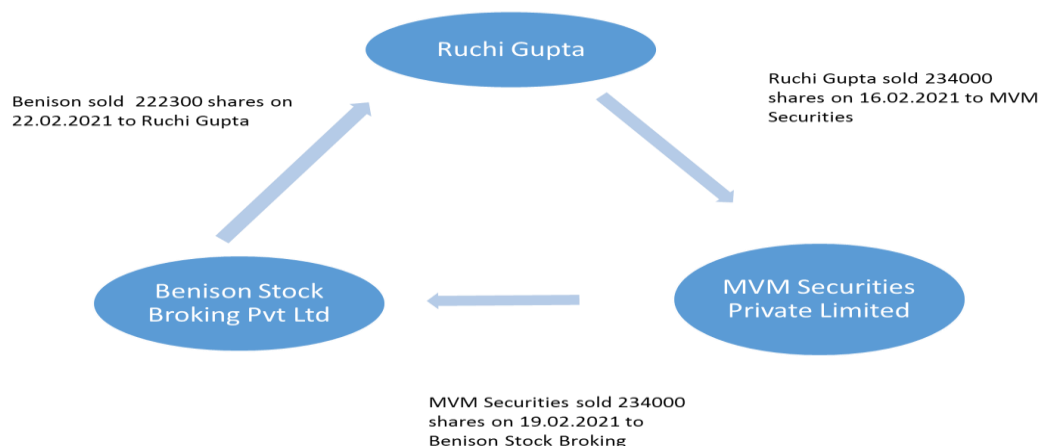
(ii) **Contract No. 3:** In this contract, counterparties, viz., Benison Stock Broking Pvt. Ltd. and Ruchi Gupta have not been made a party in the instant adjudication proceedings. The relevant details of the contract are depicted below:



(iii) Contract No. 4: In this contract, one of the counterparty is Ruchi Gupta who has not been made a party in the instant adjudication proceedings. The relevant details of the contract is depicted below:



(iv) Contract No. 7: In this contract, one of the counterparty is Benison Stock Broking Pvt. Ltd. who has not been made a party in the instant adjudication proceedings. The relevant details of the contract is depicted below:



36. In the present case, I note from the IR along with the material on record that Benison Stock Broking Pvt. Ltd., Ruchi Gupta, Tower Research Capital Markets India Pvt. Ltd. and Kedia Fintrade Private Limited have not been made a party in the instant adjudication proceedings. The reasoning for not impleading them as noted from the IR is reproduced below:

“... no strong connection could be established between these entities and other connected entities and these entities were also not repetitively involved in the circular transactions ...”

37. Similarly, in the matter of *Kaushik Rajnikant Mehta v. SEBI*⁶, Hon'ble SAT avowed the following:

“In our opinion, a connection has to be drawn between the 35 entities only and not against the 56 entities in as much as the charge is one of synchronised trades and reversal trades and if one of the entities who is not charged in the show cause notice is a link for synchronised trading then that charge cannot be proved.”

38. From the perusal of the material on record, I find that 26 out of 67 alleged circular transactions constituting one or more arms of the respective circular trade have been excluded from enforcement action, *inter alia*, for the want of a connection with other entities, i.e., Noticees. Considering the same in the backdrop of the observations of Hon'ble SAT in the aforesaid matters, I am of the opinion that as the trader in one or more legs of the circular transaction has not been arrayed as a party in the instant proceedings, the circle, which is *sine qua non* for establishing the charge of circular trading, remains incomplete. In the absence of a complete trading circle, the essential

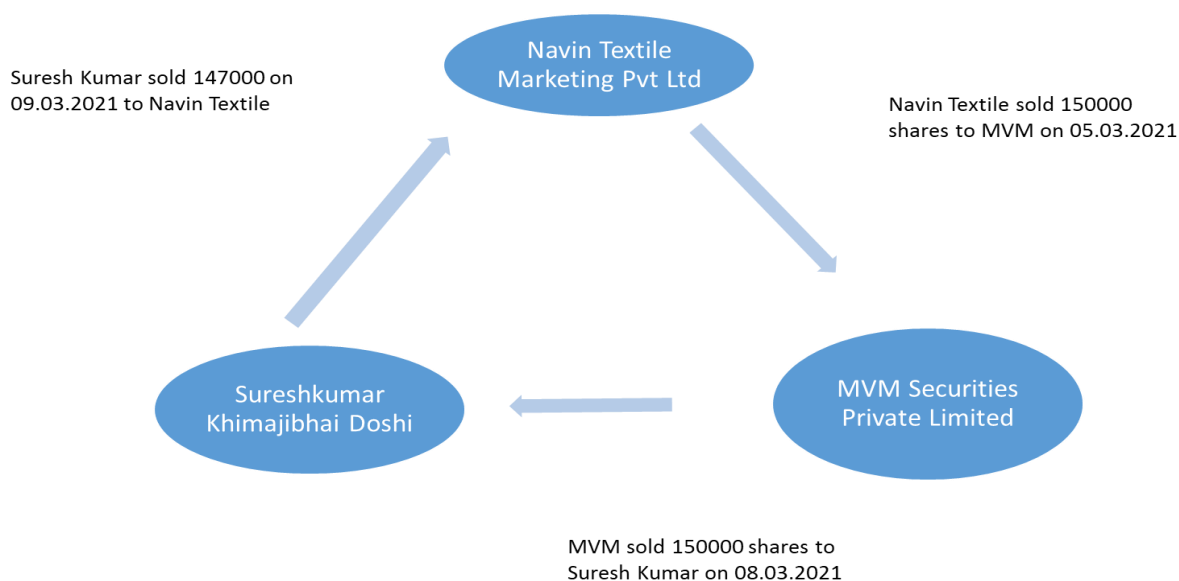
⁶ Appeal No. 76 of 2019 Date of order: May 05, 2021



ingredient of a closed loop of transactions remains unsatisfied and hence, the allegation of circular trading cannot be sustained for such trades. Consequently, it cannot be held that the said trades, which include Benison Stock Broking Pvt. Ltd., Ruchi Gupta, Tower Research Capital Markets India Pvt. Ltd. and Kedia Fintrade Private Limited who have not been made part of the instant proceedings constitute circular trades.

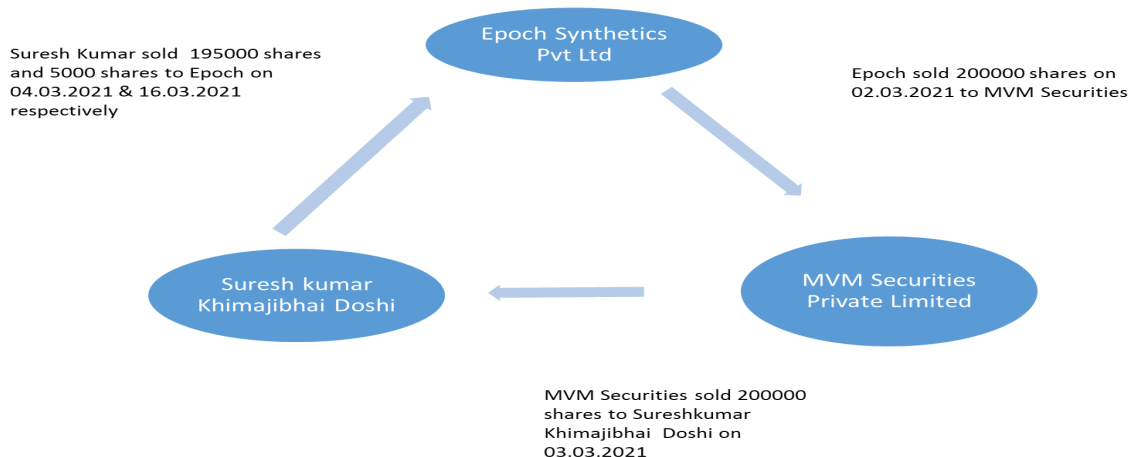
39. I now proceed to deal with remaining contracts. The relevant details are reproduced and discussed below:

(i) Contract No. 2: AMBUJACEM 255 PE 253 where Noticee Nos. 1, 4 and 5 are parties



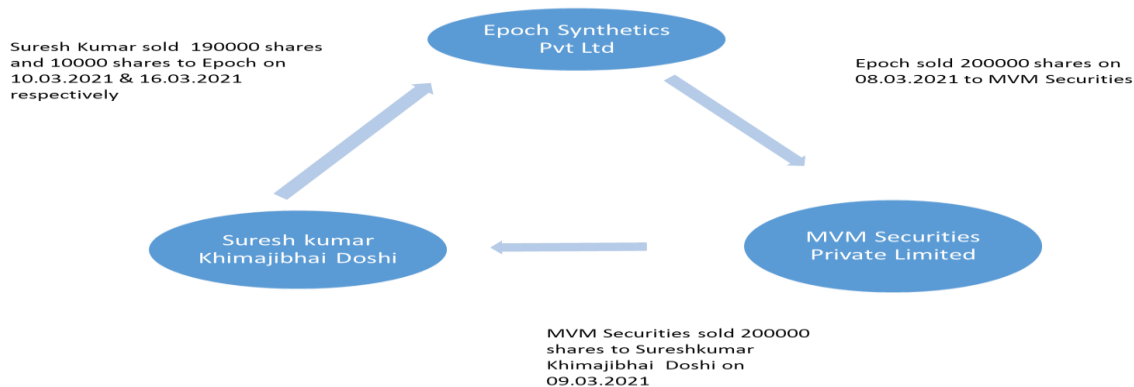
Contract No. 2 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 150,000 units on March 05, 2021 at 12:22:09 hours from Noticee No. 4. Noticee No. 5 bought these units from Noticee No. 1 at 13:03:36 hours on March 08, 2021. On March 09, 2021 at 10:59:35 hours, Noticee No. 5 sold 147,000 units to Noticee No. 4.

(ii) Contract No. 4: APOLLOTYRE 212.50 PE 2503 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 4 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,00,000 units on March 02, 2021 at 09:52:22 hours from Noticee No. 6. Noticee No. 5 bought these units from Noticee No. 1 at 12:33:39 hours on March 03, 2021. On March 04, 2021 at 10:39:29 hours, Noticee No. 5 sold 1,95,000 units to Noticee No. 6 and 5,000 units on March 16, 2021 at 12:53:06 hours.

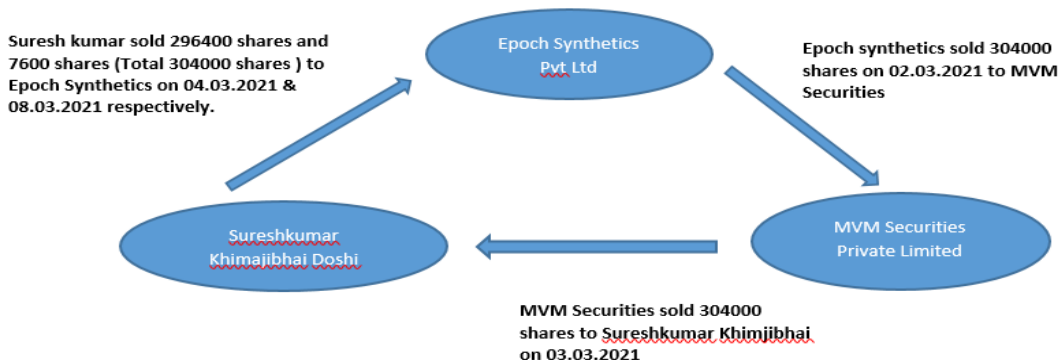
(iii) Contract No. 6: APOLLOTYRE 217.50 PE 2503 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 6 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had sold 2,00,000 units on March 08, 2021 at 09:35:43 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought these units from Noticee No. 6 at 14:50:17 hours on March 09, 2021. On March 10, 2021 at 11:11:49 hours, Noticee No. 5 sold 1,90,000 units to Noticee No. 6 and 10,000 units on March 16, 2021 at 11:37:33 hours.

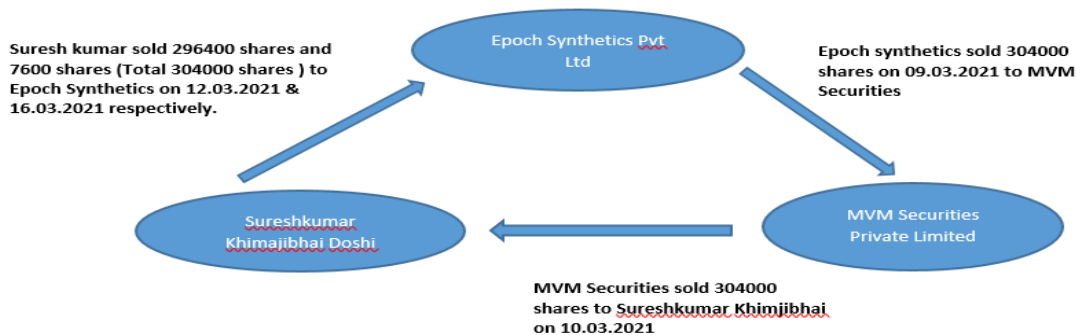


(iv) Contract No. 10: BEL 122.50 PE 2503: Circular Transaction no. 1 where Noticee Nos. 1, 5 and 6 are parties



In contract No. 10, circular transaction No. 1 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,04,000 units on March 02, 2021 at 09:27:28 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought these units from Noticee No.1 at 12:34:18 hours on March 03, 2021. On March 04, 2021 at 10:43:02 hours, Noticee No. 5 sold 2,96,400 units to Noticee No. 6 and 7,600 units on March 08, 2021 at 13:58:28 hours.

(v) Contract No.10: BEL 122.50 PE 2503: Circular Transaction no. 2 where Noticee Nos. 1, 5 and 6 are parties

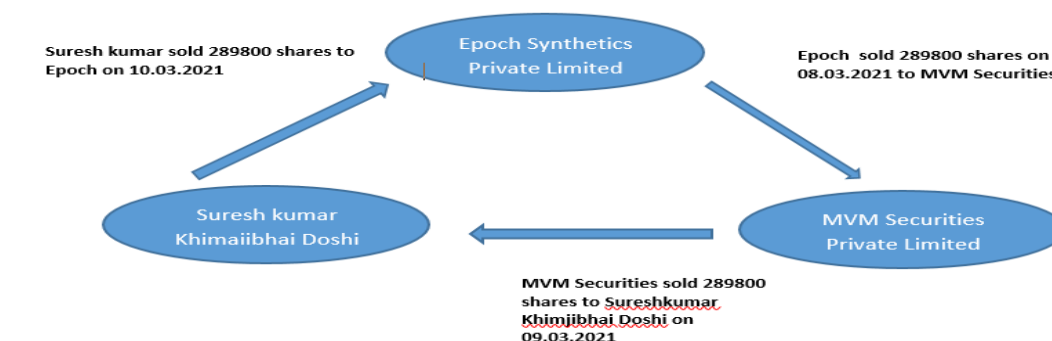


In contract No. 10, circular transaction no. 2 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,04,000 units on March 09, 2021 at 09:25:05 hours from Noticee No. 6. Subsequently, Noticee No. 5



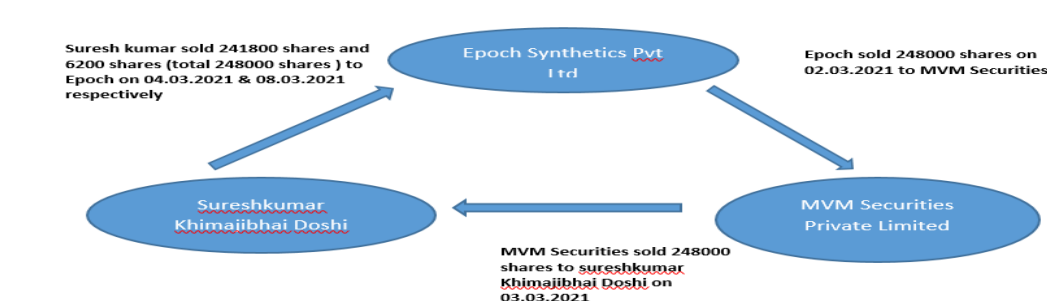
bought these units from Noticee No.1 at 13:50:49 hours on March 10, 2021. On March 12, 2021 at 10:42:19 hours, Noticee No. 5 sold 2,96,400 units to Noticee No. 6 and 7,600 units on March 16, 2021 at 11:37:59 hours.

(vi) Contract No.13: COALIndia 172.50 CE 2503 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 13 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,89,800 units on March 08, 2021 at 09:51:24 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought these units from Noticee No.1 at 14:48:54 hours on March 09, 2021. On March 10, 2021 at 11:12:38 hours, Noticee No. 5 sold 2,89,800 units to Noticee No. 6.

(vii) Contract No.14: CUB 152.50 PE 2503 where Noticee Nos. 1, 5 and 6 are parties

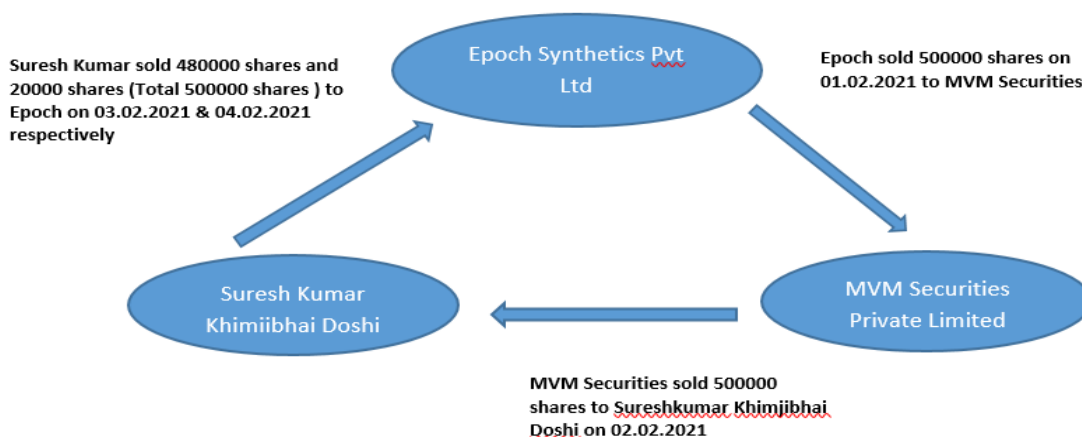


Contract No. 14, circular transaction No. 1 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,48,000 units on March 02, 2021 at 09:24:57 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 62000 units from Noticee No.1 at 12:35:12 hours, 62000 units at 12:35:48



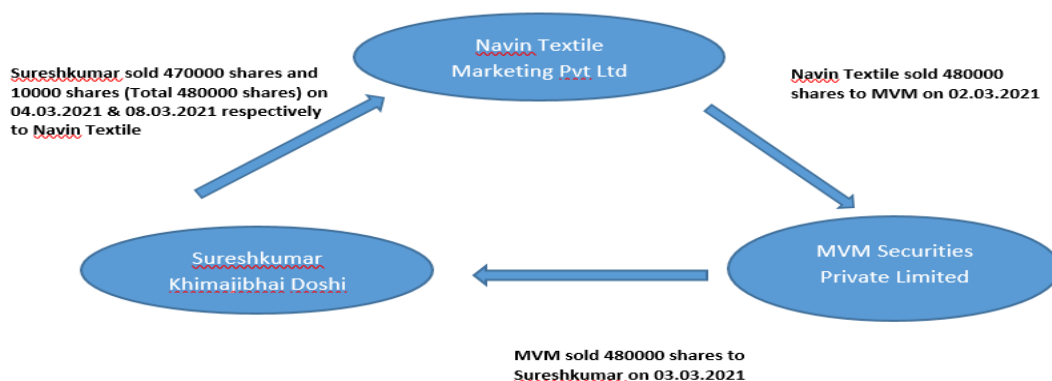
hours, 62000 at 12:35:04 and 62000 units at 12:35:29 on March 03, 2021. On March 04, 2021 at 10:40:01 hours, Noticee No. 5 sold 2,41,800 units to Noticee No. 6 and 6200 units on March 08, 2021 at 13:59:03.

(viii) Contract No.16: FEDERALBANK 61 PE 2502: Circular Transaction 1 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 16 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 5,00,000 units on February 01, 2021 at 09:49:44 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 5,00,000 units from Noticee No.1 at 13:01:27 hours on February 02, 2021. On February 03, 2021 at 09:37:38 hours, Noticee No. 5 sold 4,80,000 units to Noticee No. 6 and 20,000 units on February 04, 2021 at 14:46:38.

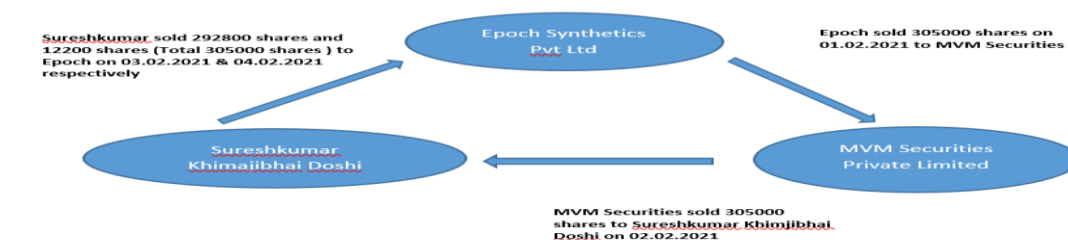
(ix) Contract No. 19 FEDERALBANK 71 PE 2503: Circular Transaction 2 where Noticee Nos. 1, 4 and 5 are parties





Contract No. 19, circular transaction no. 2 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 4,80,000 units on March 02, 2021 at 09:30:18 hours from Noticee No. 4. Noticee No. 5 bought these units from Noticee No. 1 at 12:36:28 hours on March 03, 2021. On March 04, 2021 at 10:43:32 hours, Noticee No. 5 sold 4,70,000 units to Noticee No. 4 and on March 08, 2021 at 13:59:32 sold 10,000 units.

(x) **Contract No. 20: GAIL 102.50 PE 2502 where Noticee Nos. 1, 5 and 6 are parties**



Contract No. 20 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,05,000 units on February 01, 2021 at 09:56:38 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 3,05,000 units from Noticee No.1 at 13:02:10 hours on February 02, 2021. On February 03, 2021 at 09:38:06 hours, Noticee No. 5 sold 2,92,800 units to Noticee No. 6 and 12,200 units on February 04, 2021 at 14:45:57.

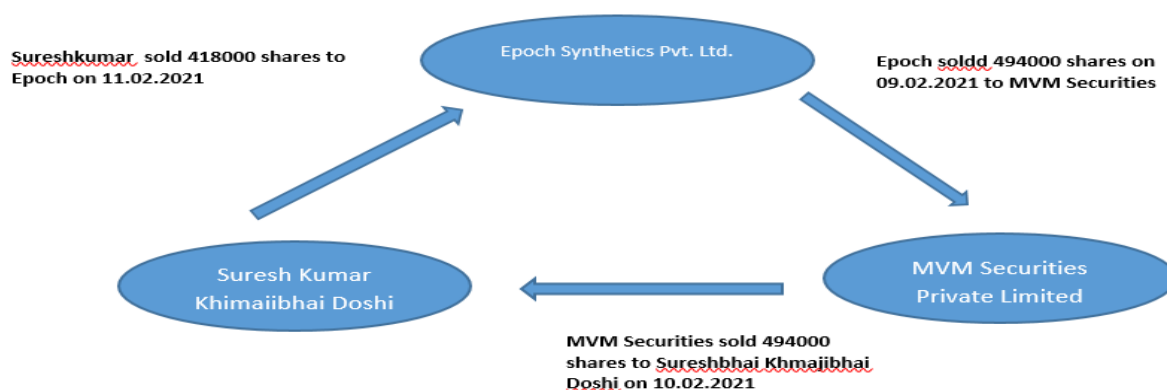
(xi) **Contract No. 22 GRANULES 305PE 2503 where Noticee Nos. 1, 4 and 5 are parties**





Contract No. 22 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 1,20,900 units on March 09, 2021 at 11:18:33 hours from Noticee No. 4. Noticee No. 5 bought 1,24,000 units from Noticee No. 1 at 13:52:29 hours on March 10, 2021. On March 15, 2021 at 12:36:03 hours, Noticee No. 5 sold 1,20,900 units to Noticee No. 4.

(xii) Contract No. 23: IDFCFIRSTb41PE2502 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 23 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 4,94,000 units on March 09, 2021 at 09:20:45 hours from Noticee No. 6. Noticee No. 5 bought 4,94,000 units from Noticee No. 1 at 12:52:19 hours on March 10, 2021. On March 11, 2021 at 10:06:03 hours, Noticee No. 5 sold 4,18,000 units to Noticee No. 6.

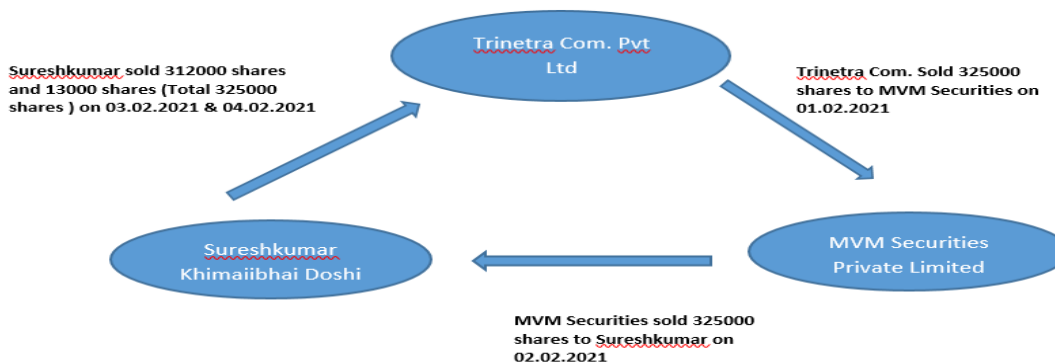
(xiii) Contract No.24: INDUSTOWER 215 PE 21503 where Noticee Nos. 1, 4 and 5 are parties





Contract No. 24 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 1,40,000 units on March 05, 2021 at 12:23:05 hours from Noticee No. 4. Noticee No. 5 bought 1,42,800 units from Noticee No. 1 at 12:59:29 hours on March 08, 2021. On March 09, 2021 at 11:00:09 hours, Noticee No. 5 sold 1,37,200 units to Noticee No. 4 and 2,800 units on March 16, 2021 at 11:40:49.

(xiv) Contract No. 25: IOC 82 PE 2502 where Noticee Nos. 1, 5 and 7 are parties



Contract No. 25 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 3,25,000 units on February 01, 2021 at 10:00:11 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 14:16:33 hours on February 02, 2021. On February 03, 2021 at 09:38:47 hours, Noticee No. 5 sold 3,12,000 units to Noticee No. 7 and 13,000 units on February 04, 2021 at 14:47:14 hours.

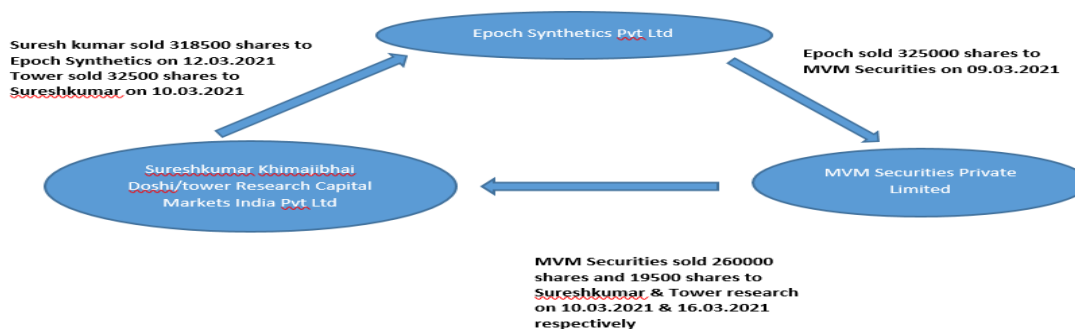
(xv) Contract No.28: IOC 91 PE 2503: Circular Transaction no. 1 where Noticee Nos. 1, 4 and 5 are parties





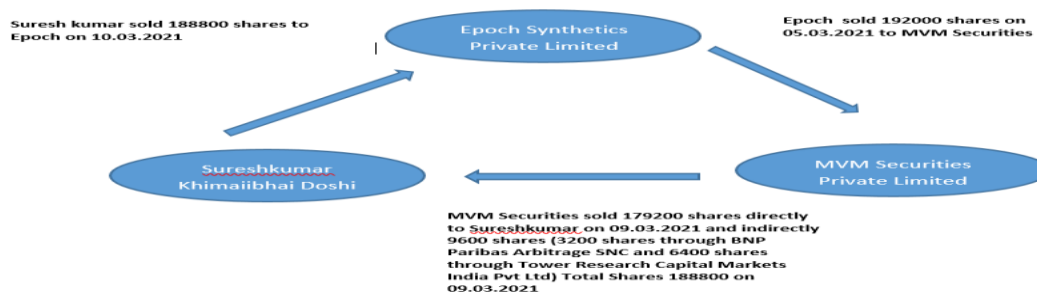
Contract No. 28, circular transaction 1 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 3,90,000 units on March 02, 2021 at 09:37:08 hours from Noticee No. 4. Noticee No. 5 bought 3,90,000 units from Noticee No. 1 at 12:56:03 hours on March 03, 2021. On March 04, 2021 at 10:44:01 hours, Noticee No. 5 sold 3,77,000 units to Noticee No. 4 and 13,000 units on March 08, 2021 at 13:59:57.

(xvi) Contract No. 28: IOC 91 PE 2503: Circular Transaction no. 2 where Noticee Nos. 1, 5 and 6



Contract No. 28, circular transaction no. 2 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,25,000 units on March 09, 2021 at 09:25:52 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 2,60,000 units from Noticee No.1 at 13:52:49 hours on March 10, 2021. Thereafter, on March 12, 2021, Noticee No. 5 sold 3,18,500 (including 32, 500 units purchased from third parties) units to Noticee No. 6.

(xvii) Contract No.29: ITC 192.50 PE 2503 where where Noticee Nos. 1, 5 and 6 are parties





Contract No. 29 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 1,92,000 units on March 09, 2021 at 12:41:38 hours from Noticee No. 6. Subsequently, on March 09, 2021 Noticee No. 1 sold 1,79,200 units to Noticee No. 5 at 14:46:17 hours. On March 10, 2021, Noticee No. 6 bought 1,88,800 units (including 3,200 units and 6,400 units purchased from third parties) from Noticee No. 1 at 12:09:03 hours on March 10, 2021.

(xviii) **Contract No. 34: MANAPURRAM 192.50 PE 2502 where Noticee Nos. 1, 5 and 7 are parties**



Contract No. 34 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 2,40,000 units on February 03, 2021 at 11:02:03 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 14:46:10 hours on February 05, 2021. On February 12, 2021 at 11:28:37 hours, Noticee No. 5 sold 2,40,000 units to Noticee No. 7.

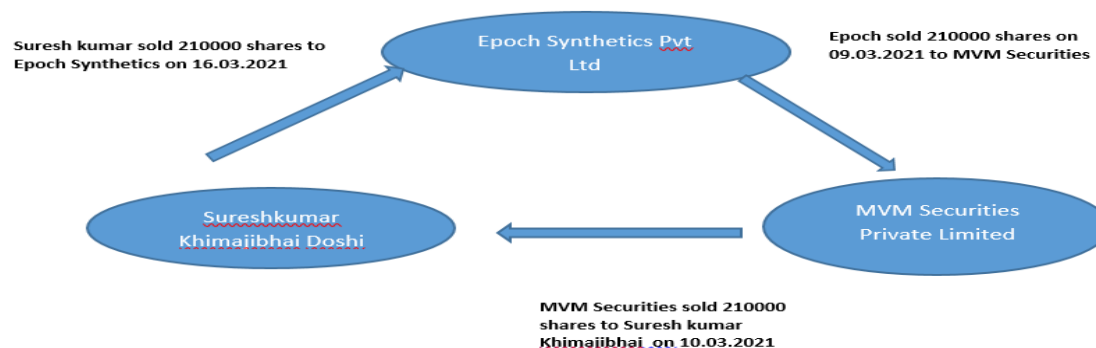
(xix) **Contract No. 35: MOTHERSUMI 192.50 PE 2503 where Noticee Nos. 1, 4 and 5 are parties**





Contract No. 35 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 2,10,000 units on March 02, 2021 at 09:33:37 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 2,10,000 units from Noticee No. 1 at 12:38:40 hours on March 03, 2021. On March 04, 2021 at 10:44:57 hours, Noticee No. 5 sold 2,03,000 units to Noticee No. 4 and 7000 units on March 08, 2021 at 14:00:18.

(xx) Contract No. 36: MOTHERSUMI 202.50 PE 2503 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 36 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,10,000 units on March 09, 2021 at 09:24:15 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 2,10,000 units from Noticee No.1 at 13:54:27 hours on March 10, 2021. On March 16, 2021 at 09:15:11 hours, Noticee No. 5 sold 2,10,000 units to Noticee No. 6.

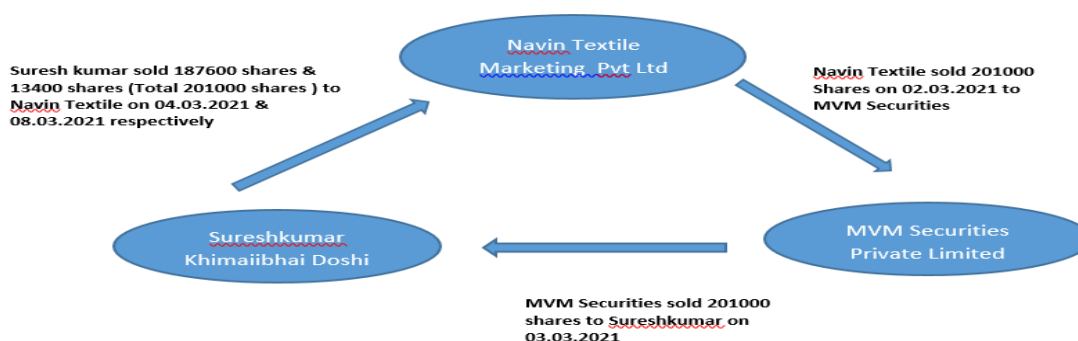
(xxi) Contract No. 37: NMDC 92.50 PE 2502 where Noticee Nos. 1, 5 and 7 are parties





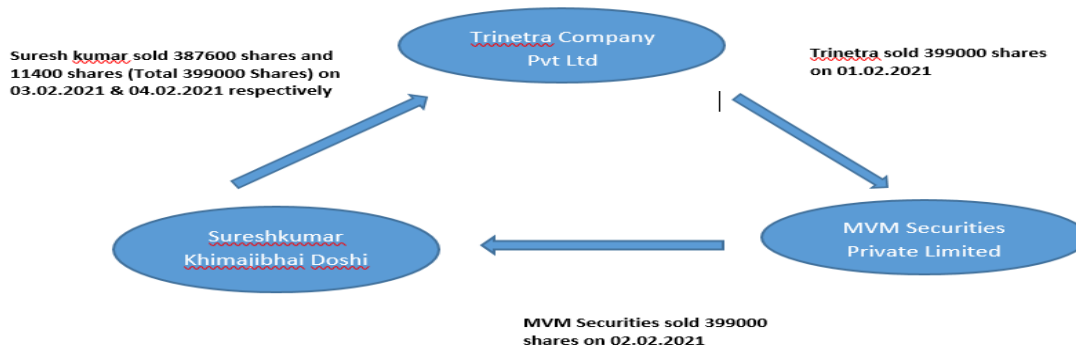
Contract No. 37 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 3,35,000 units on February 01, 2021 at 10:23:00 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 13:51:42 hours on February 02, 2021. On February 03, 2021 at 10:20:40 hours, Noticee No. 5 sold 3,21,600 units to Noticee No. 7 and 13,400 units on February 04, 2021 at 14:47:28 hours.

(xxii) Contract No. 39: NMDC 112.50 PE 2503 where Noticee Nos. 1, 4 and 5 are parties



Contract No. 39 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 2,01,000 units on March 02, 2021 at 09:43:46 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 2,01,000 units from Noticee No. 1 at 12:53:31 hours on March 03, 2021. On March 04, 2021 at 10:45:39 hours, Noticee No. 5 sold 1,87,600 units to Noticee No. 4 and 13400 units on March 08, 2021 at 14:00:41.

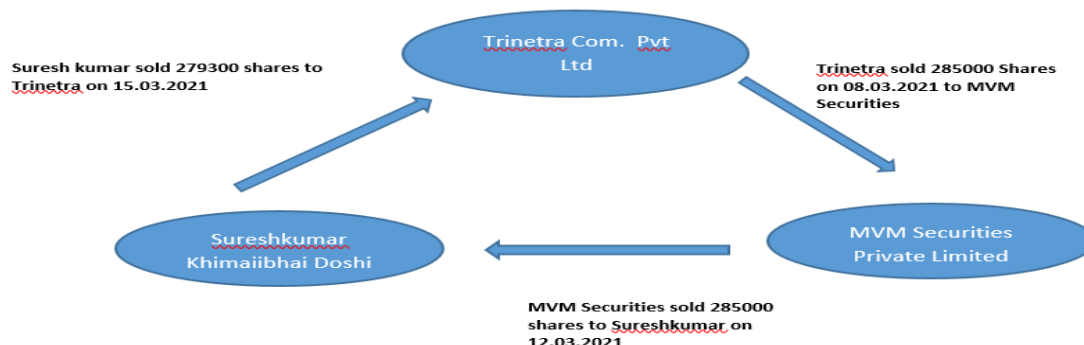
(xxiii) Contract No. 40: NTPC 78 PE 2502 where Noticee Nos. 1, 5 and 7 are parties





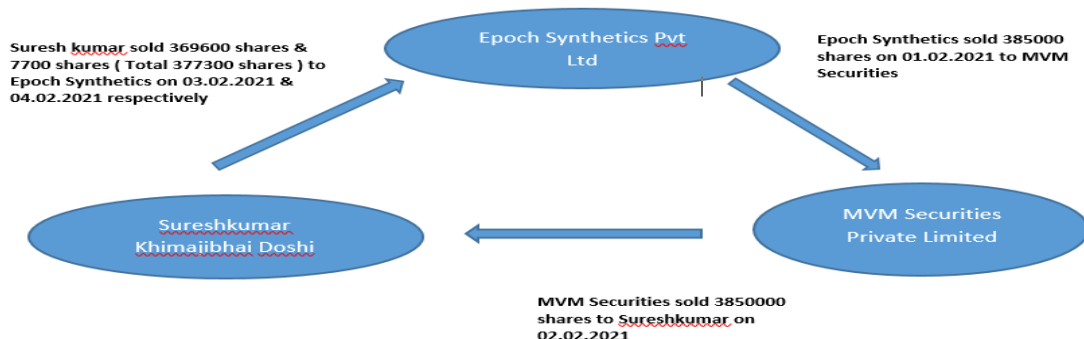
Contract No. 40 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 3,99,000 units on February 01, 2021 at 10:04:12 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 13:52:27 hours on February 02, 2021. On February 03, 2021 at 10:21:12 hours, Noticee No. 5 sold 3,87,600 units to Noticee No. 7 and 11,400 units on February 04, 2021 at 14:47:49 hours.

(xxiv) Contract No. 42:NTPC 98 PE 2503 where Noticee Nos. 1, 5 and 7 are parties



Contract No. 42 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 2,85,000 units on March 08, 2021 at 09:19:18 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 10:49 hours on March 12, 2021. On March 15, 2021 at 12:35 hours, Noticee No. 5 sold 2,79,300 units to Noticee No. 7.

(xxv) Contract No. 43:ONGC 78 PE 2502 where Noticee Nos. 1, 5 and 6 are parties

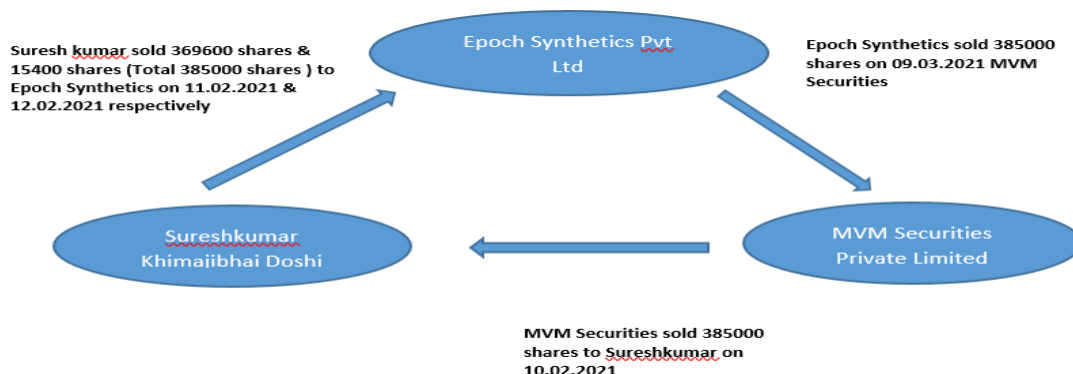


Contract No. 43 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,85,000 units on February 01, 2021 at 09:41:50



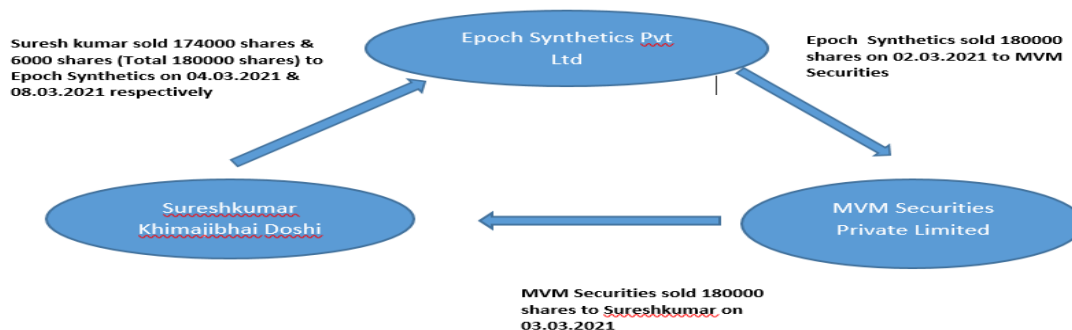
hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 3,85,000 units from Noticee No.1 at 13:53:25 hours on February 02, 2021. On February 03, 2021 at 10:21:41 hours, Noticee No. 1 sold 3,69,600 units to Noticee No. 6 and on February 04, 2021 at 14:48:08 sold 7700 units to Noticee No. 6.

(xxvi) Contract No. 44: ONGC 82 PE 2502 where Noticee Nos. 1, 5 and 6 are parties



Contract No. 44 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,85,000 units on February 09, 2021 at 09:16:13 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 3,85,000 units from Noticee No.1 at 12:52:57 hours on February 10, 2021. On February 11, 2021 at 10:05:40 hours, Noticee No. 1 sold 3,69,600 units to Noticee No. 6 and on February 12, 2021 at 11:48:17 sold 15400 units to Noticee No. 6.

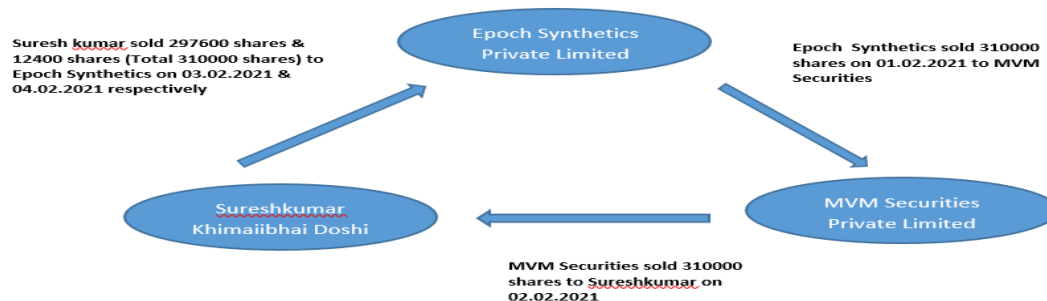
(xxvii) Contract No. 45: PETRONET 225 PE 2503: Circular Transaction no. 1 where Noticee Nos. 1, 5 and 6 are parties





Contract No. 45, circular transaction 1 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 1,80,000 units on March 02, 2021 at 10:01:00 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 1,80,000 units from Noticee No.1 at 12:53:58 hours on March 03, 2021. On March 04, 2021 at 10:46:09 hours, Noticee No. 1 sold 1,74,000 units to Noticee No. 6 and on March 08, 2021 at 14:01:06 sold 6000 units to Noticee No. 6.

(xxviii) **Contract No. 46:PFC97.50 PE 2502 where Noticee Nos. 1, 5 and 6 are parties**



Contract No. 46 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 3,10,000 units on February 01, 2021 at 10:18:01 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 3,10,000 units from Noticee No.1 at 13:54:09 hours on February 02, 2021. On February 03, 2021 at 10:22:06 hours, Noticee No. 1 sold 2,97,600 units to Noticee No. 6 and on February 04, 2021 at 14:48:41 sold 12400 units to Noticee No. 6.

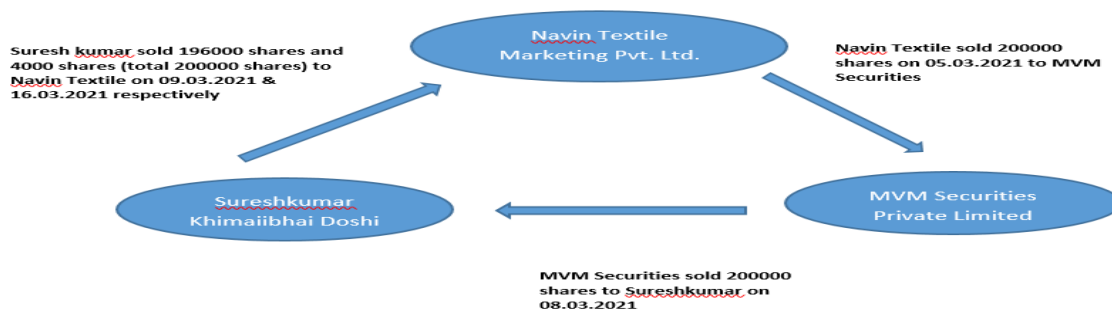
(xxix) **Contract No. 47:PFC 117.50 PE 2503 where Noticee Nos. 1, 4 and 5 are parties**





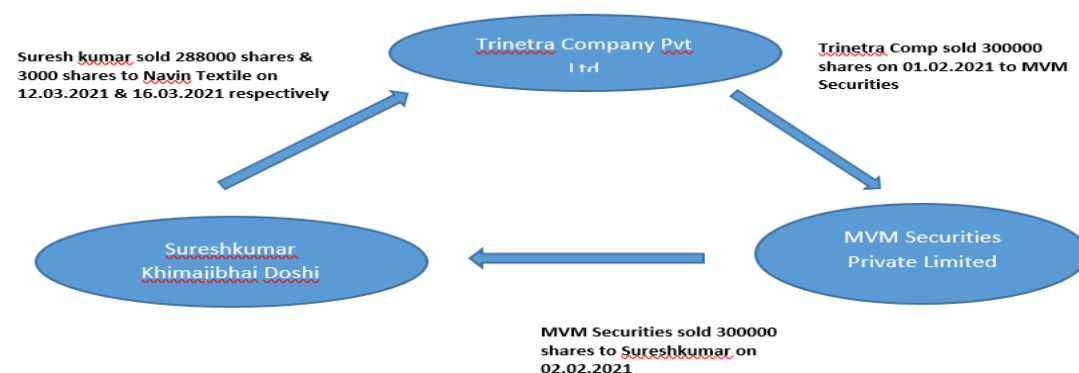
Contract No. 47 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 3,10,000 units on March 05, 2021 at 12:50:58 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 3,10,000 units from Noticee No. 1 at 13:00:19 hours on March 08, 2021. On March 09, 2021 at 11:00:55 hours, Noticee No. 5 sold 3,03,800 units to Noticee No. 4.

(xxx) Contract No.48:POWERGRID197.50 PE 2503 where Noticee Nos. 1, 4 and 5 are parties



Contract No. 48 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 2,00,000 units on March 05, 2021 at 12:20:58 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 2,00,000 units from Noticee No. 1 at 13:00:55 hours on March 08, 2021. On March 09, 2021 at 11:01:20 hours, Noticee No. 5 sold 1,96,000 units to Noticee No.4 and March 16, 2021 at 11:41:48 4000 units.

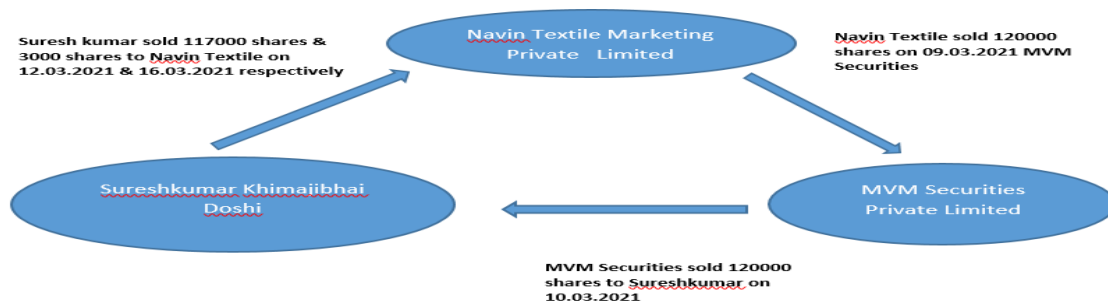
(xxxi) Contract No.49:RECLTD 112.50 PE 2502 where Noticee Nos. 1, 5 and 7 are parties





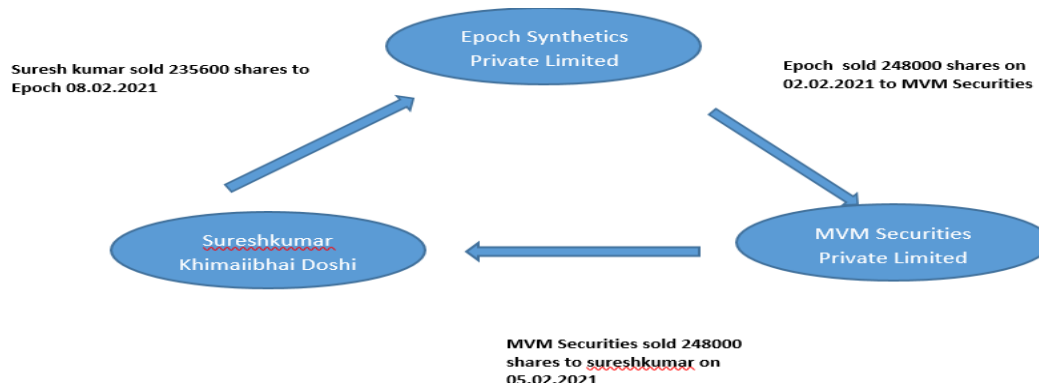
Contract No. 49 was executed between Noticee Nos. 1, 5 and 7. It was observed that Noticee No. 1 had bought 3,00,000 units on February 01, 2021 at 10:26:52 hours from Noticee No. 7. Subsequently, Noticee No. 5 bought these units from Noticee No. 1 at 13:54:53 hours on February 02, 2021. On February 03, 2021 at 10:22:31 hours, Noticee No. 5 sold 2,88,000 units to Noticee No. 7 and 12,000 units on February 04, 2021 at 14:49:05 hours.

(xxxii) Contract No.52:TORNTPOWER 375 PE 2503 where Noticee Nos. 1, 4 and 5 are parties



Contract No. 52 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 1,20,000 units on March 09, 2021 at 11:16:55 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 1,20,000 units from Noticee No. 1 at 13:55:48 hours on March 10, 2021. On March 12, 2021 at 10:44:24 hours, Noticee No. 5 sold 1,17,000 units to Noticee No.4 and March 16, 2021 at 11:43:22 sold 3000 units.

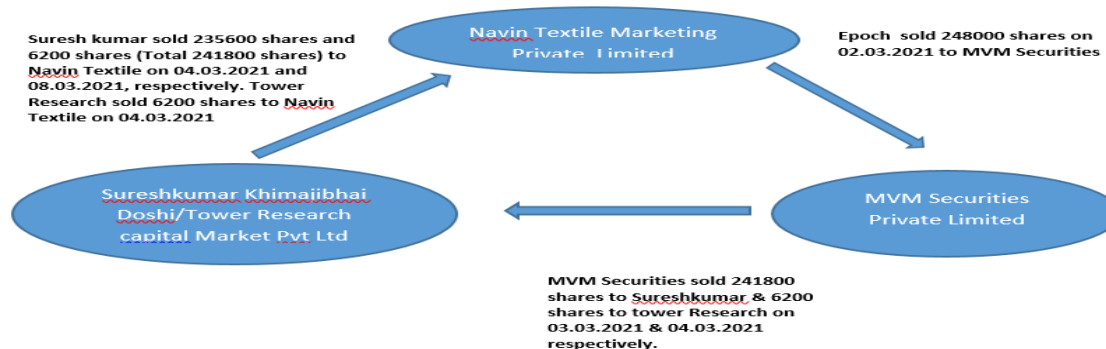
(xxxiii) Contract No.53: VEDL 152.50 PE 2502 where Noticee Nos. 1, 5 and 6 are parties





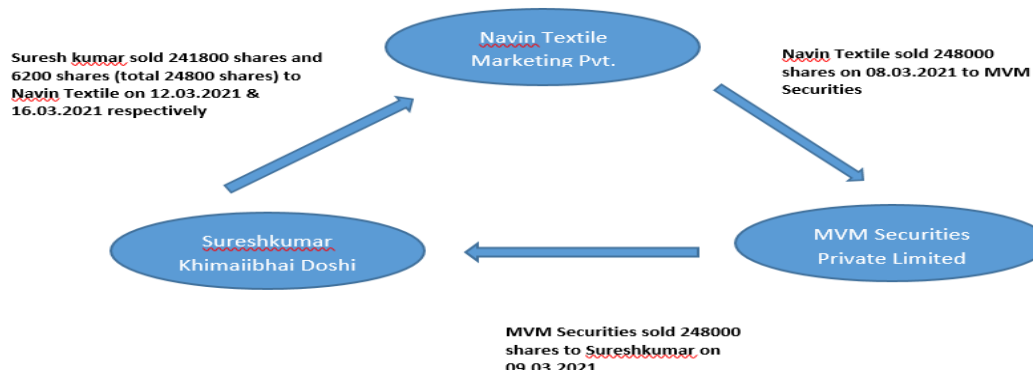
Contract No. 53 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,48,000 units on February 02, 2021 at 10:35:07 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 2,48,000 units from Noticee No.1 at 11:45:36 hours on February 05, 2021. On February 08, 2021 at 10:59:10 hours, Noticee No. 1 sold 2,35,600 units to Noticee No. 6.

(xxxiv) Contract No.54: VEDL 182.50 PE 2503 where Noticee Nos. 1, 4 and 5



Contract No. 54 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 2,48,000 units on March 02, 2021 at 09:38:44 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 2,41,800 units from Noticee No. 1 at 12:55:23 hours on March 03, 2021. On March 04, 2021 at 10:47:25 hours, Noticee No. 5 sold 2,41,800 units to Noticee No.4 and on March 08, 2021 at 14:01:57 sold 6,200 units.

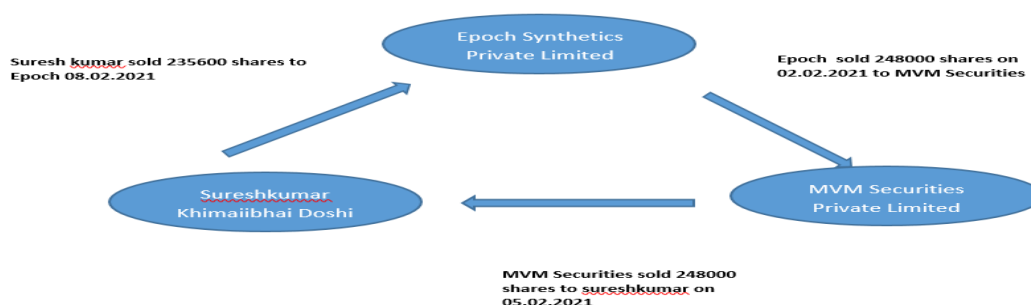
(xxxv) Contract No.55: VEDL 192.50 PE 2503 where Noticee Nos. 1, 4 and 5 are parties





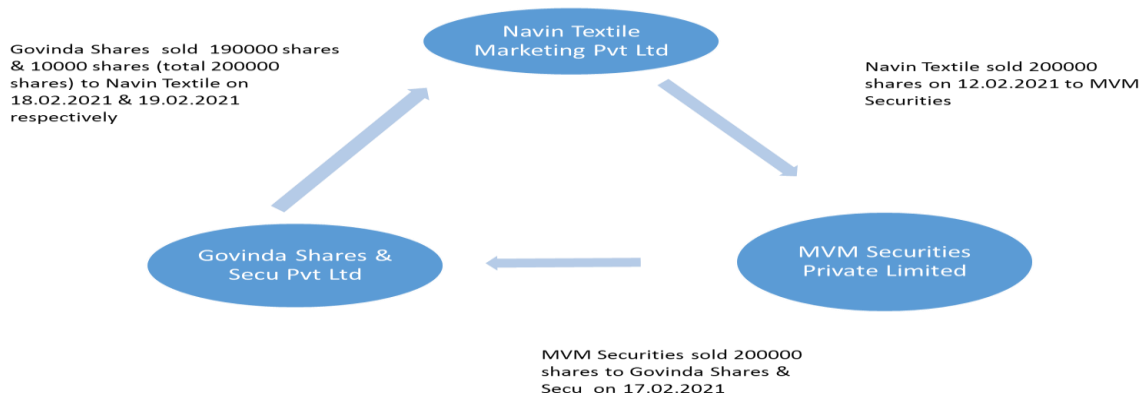
Contract No. 55 was executed between Noticee Nos. 1, 4 and 5. It was observed that Noticee No. 1 had bought 2,48,000 units on March 08, 2021 at 09:26:38 hours from Noticee No. 4. Subsequently, Noticee No. 5 bought 2,48,000 units from Noticee No. 1 at 14:47:02 hours on March 09, 2021. On March 12, 2021 at 10:44:51 hours, Noticee No. 5 sold 2,41,800 units to Noticee No. 4 and on March 16, 2021 at 11:42:12 sold 6200 units.

(xxxvi) Contract No.56: VEDL 197.50 CE 2502 where Noticee Nos. 1, 5 and 6 are parties



Contract no. 56 was executed between Noticee Nos. 1, 5 and 6. It was observed that Noticee No. 1 had bought 2,48,000 units on February 09, 2021 at 09:26:30 hours from Noticee No. 6. Subsequently, Noticee No. 5 bought 2,48,000 units from Noticee No.1 at 13:14:11 hours on February 10, 2021. On February 12, 2021 at 10:58:37 hours, Noticee No. 1 sold 2,35,600 units to Noticee No. 6 and on February 12, 2021 at 12:56:44.

(xxxvii) Contract No.5: APOLLOTYRE 212.50 PE 2502 where Noticee Nos. 1, 3 and 4 are parties





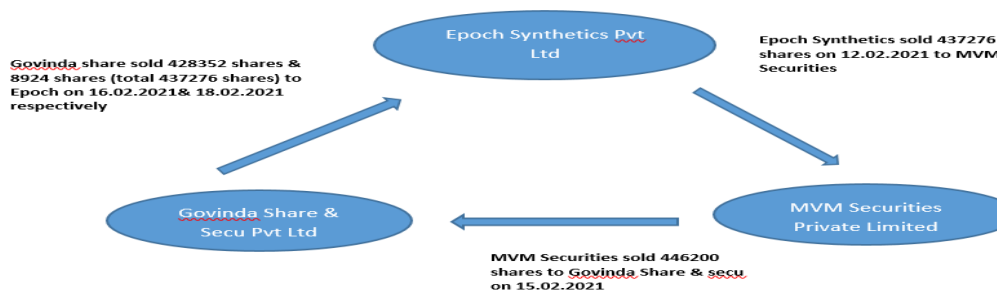
Contract No. 5 was executed between Noticee Nos. 1, 3 and 4. It was observed that Noticee No. 1 had bought 2,00,000 units on February 12, 2021 at 09:33:50 hours from Noticee No. 4. Subsequently, Noticee No. 3 bought these units from Noticee No. 1 at 11:58:04 hours on February 17, 2021. On February 18, 2021 at 11:56:33 hours, Noticee No. 3 sold 1,90,000 units to Noticee No. 4 and 10,000 units on February 19, 2021 at 11:05:52 hours.

(xxxviii) Contract No.17: FEDERALBANK 71 PE 2502 where Noticee Nos. 1, 3 and 4 are parties



Contract No. 17 was executed between Noticee Nos. 1, 3 and 4. It was observed that Noticee No. 1 had bought 4,10,000 units on February 12, 2021 at 09:19:06 hours from Noticee No. 4. Subsequently, Noticee No. 3 bought 1,50,000 units from Noticee No. 1 at 11:56:06 hours on February 15, 2021. On February 16, 2021 at 13:54:32 hours, Noticee No. 3 sold 4,00,000 units to Noticee No. 4 and 10000 units on February 17, 2021 at 12:00:19 hours.

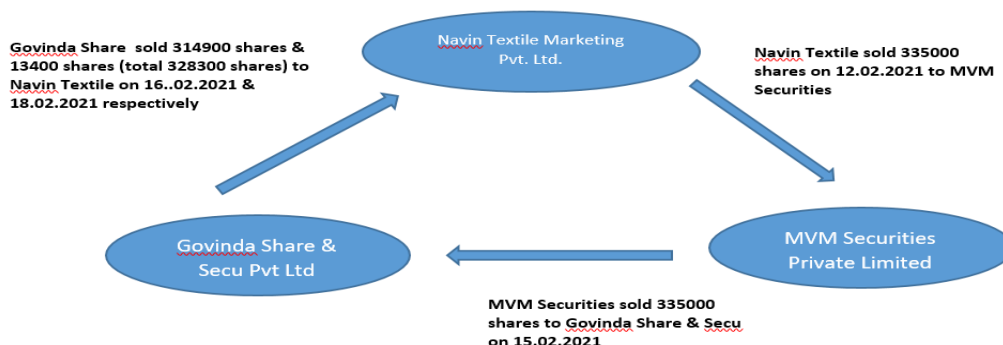
(xxxix) Contract No.32: L&TFH 81.85 PE 2502 where Noticee Nos. 1, 3 and 6 are parties





Contract No. 32 was executed between Noticee Nos. 1, 3 and 6. It was observed that Noticee No. 1 had bought 4,37,276 units on February 12, 2021 at 09:22:24 hours from Noticee No. 6. Subsequently, Noticee No. 3 bought these units from Noticee No. 1 at 11:59:02 hours on February 15, 2021. On February 16, 2021 at 11:52:05 hours, Noticee No. 3 sold 4,28,352 units to Noticee No. 6 and 8924 units on February 18, 2021 at 11:15:13 hours.

(xi) **Contract No.38: NMDC 107.50 PE 2502 where Noticee Nos. 1, 3 and 4 are parties**



Contract No. 38 was executed between Noticee Nos. 1, 3 and 4. It was observed that Noticee No. 1 had bought 3,35,000 units on February 12, 2021 at 09:30:36 hours from Noticee No. 4. Subsequently, Noticee No. 3 bought these units from Noticee No. 1 at 12:00:15 hours on February 15, 2021. On February 16, 2021 at 12:05:20 hours, Noticee No. 3 sold 3,14,900 units to Noticee No. 4 and 13400 units on February 18, 2021 at 11:51:48 hours.

40. From the analysis of the aforementioned contracts, the following is noted:

- (i) The trading pattern in the said contracts exhibits a pattern of circular transactions wherein positions were getting squared off actively/repeatedly in a circular manner with a significant price difference;
- (ii) All the trades were executed in the illiquid stock option segment of NSE;
- (iii) Most of the positions were squared off by Noticees with each other;
- (iv) There was a close proximity of time in the placement of buy and sell orders in all these abovementioned contracts. For illustration, in the contract



‘FEDRALBANK 71 PE 2502’ the time gap between the buy and sell order was as under:

Table 2

Trade date	Trade time	Time diff between buy & Sell order	Buy Client	Sell Client
12/02/2021	09:19:06	<u>00:00:01</u>	MVM SECURITIES PVT. LTD.	NAVIN TEXTILE MARKETING PRIVATE LIMITED
12/02/2021	09:19:06	<u>00:00:11</u>	MVM SECURITIES PVT. LTD.	NAVIN TEXTILE MARKETING PRIVATE LIMITED
15/02/2021	11:56:06	<u>00:00:14</u>	GOVINDA SHARE & SECU PVT. LTD	MVM SECURITIES PVT. LTD.
16/02/2021	13:54:32	<u>00:00:02</u>	NAVIN TEXTILE MARKETING PRIVATE LIMITED	GOVINDA SHARE & SECU PVT. LTD
17/02/2021	12:00:19	<u>00:00:02</u>	NAVIN TEXTILE MARKETING PRIVATE LIMITED	GOVINDA SHARE & SECU PVT. LTD

From the above Table, it is evident that there was a close proximity in time in the placement of buy and sell orders, with one instance having a gap of just one second.

- (v) Buy and sell orders which were placed in close proximately had similar volume;
- (vi) Almost the entire quantity was squared off within a span of 2-6 days in all the said contracts;
- (vii) The circular transactions in these contracts were done with a significant difference in buy and sell price. Further, one set of entities consistently recorded positive square off differences while the other set recorded negative square-off differences. For example, in the contract namely ‘L&TFH 81.85 PE 2502’, the trading details of the suspected entities involved in the three-way reversals are as follows:

Table 3

Trade date	Trade time	Traded Price	Traded Qty	Time diff between buy & Sell order	Buy Client	Sell Client
12/02/2021	09:22:24	1.4	8924	00:00:16	MVM SECURITIES PVT. LTD.	EPOCH SYNTHETICS PVT. LTD
12/02/2021	09:22:24	1.45	428352	00:00:02	MVM SECURITIES PVT. LTD.	EPOCH SYNTHETICS PVT. LTD
15/02/2021	11:59:02	0.15	446200	00:00:03	GOVINDA SHARE & SECU PVT. LTD	MVM SECURITIES PVT. LTD.
16/02/2021	11:52:05	0.1	428352	00:00:03	EPOCH SYNTHETICS PVT. LTD	GOVINDA SHARE & SECU PVT. LTD
18/02/2021	11:51:13	0.1	8924	00:00:04	EPOCH SYNTHETICS PVT. LTD	GOVINDA SHARE & SECU PVT. LTD



From the above, it is evident that in the aforesaid contract the profit making entity was Noticee No. 6 who had initiated the transaction while other two entities, i.e., Noticee Nos.1 and 3 had incurred losses.

(viii) Noticees who had initiated the first leg of the circular transactions in these contracts made substantial profits during the IP. Noticee Nos. 4, 6 and 7 fall under this category.

(ix) While the Noticees who were involved in the subsequent part of the transaction repeatedly made losses. Noticee Nos. 1, 2, 3 and 5 fall under this category.

41. Considering the aforesaid trading pattern adopted by the said Noticees including their close proximity in placing buy/sell orders placements, prices quoted/offered while placing such orders, consistent losses/profits allocation and the similar quantity of shares involved, these trades cannot be called normal trades executed in the ordinary course of trading in the securities market. Such repeated circular squaring-off within a short span of time, instantaneous order matching (sometimes as little as 1 second) wherein the order included similar price and quantity, and pre-arranged allocation of profits and losses when analysed holistically unequivocally point to the mala fide intent of Noticees to artificially pump up trading volumes in the said illiquid stock option contracts.

42. In this background, I proceed to analyse the contentions made by the Noticees.

43. Noticee No. 5 argued that apart from the trading pattern, no material exists to prove collusion or connection of Noticee No. 5 with other Noticees. In this regard, I note that the IR records that no direct connection was established between Noticee No. 5 and the remaining Noticees. However, I note that the mere absence of a formally established connection does not, by itself, negate collusion, particularly when the trading behaviour *ipso facto* points towards a concerted arrangement with other Noticees. I note that Noticee No. 5, who traded mainly during the IP, was involved in 35 circular transactions (across 34 contracts) out of the remaining 40 contracts, accounting for almost 85% of the total circular trades. From the analysis of these transactions, I note that the time gap between the buy orders and the sell orders was



minimal, in certain instances as low as a second. Further, no variation was observed between the buy order price and the corresponding sell order price and the quantity, quoted either by Noticee No. 5 or by the counterparty. In this regard, in the matter of *Sangeeta Kailash Purohit v. SEBI*⁷(subsequently affirmed by the Hon'ble Supreme Court⁸), Hon'ble SAT has noted as under:

".. 14. The contention that there was no manipulation or structured trade is patently erroneous in as much as we find that the trading pattern of the buyers and the sellers was that they traded in close proximity of time inter-se between them. The buy and sell orders were placed within a short time interval varying from 1 minute to 2,3 or 4 minutes. In our view, such trading pattern as found by the AO cannot occur by accident or by coincidence. The trading pattern leads to an inference that there was a meeting of minds with a pre-determined plan and, therefore, there was a collusion between the parties. Such trades executed, in our opinion, are not genuine and were done with a fraudulent intent to create artificial volume in the scrip.

15. Thus, the structured trades in an illiquid scrip within the proximity of time in the placement of orders rate makes it apparent that the trades were not genuine. The continuous trades placed between the appellants within a few minutes of each other at almost at the same rate is a structured trade falling short of synchronized trades..."

44. In the light of the aforesaid dicta, I find that such a peculiar trading pattern of matching and concentrated trades executed by the Noticee No. 5 with the remaining Noticees who were connected entities cannot be brushed aside as a mere coincidence. The evidence further indicates that Noticee No. 5 squared off his positions predominantly with the same set of Noticees in the next 2-5 days at a substantial price difference. In such circumstances, the overall trading pattern of Noticee No. 5 when analysed in the backdrop of the trading pattern of the remaining Noticees clearly evidences that the preponderance of a larger conspiracy between them.

45. Further, it is also on record that Noticee No. 5 had incurred losses in almost all the contracts, resulting in an aggregate loss of over Rs. 40 lakh. Such a consistently loss making trading pattern defies logic. In *Rakhi Trading Pvt. Ltd. v. SEBI*⁹, the Hon'ble Supreme Court observed that since trading was always aimed at making profits, if one party consistently incurred losses through pre-planned trades, the transaction could not be a genuine trading activity.

⁷Appeal No. 624 of 2022.

⁸ Dairy No. 38349 of 2023.

⁹(2018) 13 SCC 753



46. Considering all the above said factors holistically and judgments, it becomes evident that the transactions executed by Noticee No. 5 were not isolated or independent acts, rather they were carried out in an orchestrated manner in concert with other Noticees with the object of creating artificial volume in the respective contract. This trading pattern of Noticee No. 5 is indicative of a common manipulative and fraudulent strategy to manipulate and distort volume in otherwise illiquid contracts. Therefore, the instant submission of the Noticee No. 5 is devoid of merit and hence is rejected.

47. Noticees contended that the trading was done on an online anonymous platform of NSE within the permitted price ranges while complying with the necessary rules and regulations. In this regard, it is noted from the trading pattern of the Noticees, the proximity in timing of trades and the similar price and quantity of buy/sell orders that Noticees exploited the stock exchange platform to carry out non-genuine trades aimed at creating a misleading appearance of trading in the contracts. I also note that the trades entered into by the respective Noticees were reversed at a substantial price difference wherein one set of parties were repeatedly making profits while the other set of parties were making losses. These circumstances, when considered cumulatively, indicate a prior meeting of minds amongst the said Noticees. While circular trades may occur by accident in an illiquid stock option, the execution of trades in such synchronised manner as observed here in anonymous trading can only result from deliberate collusion. In this regard, I note that Hon'ble Supreme Court in *Securities and Exchange Board of India v. Kishore R. Ajmera*¹⁰ held that:

“... 30. It has been vehemently argued before us that on a screen-based trading the identity of the 2nd party be it the client or the broker is not known to the first party/client or broker. 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 naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned. Prosecution under Section 24 of the Act for violation of the provisions of any of the Regulations, of course, has to be on the basis of proof beyond reasonable doubt. ...”

¹⁰(2016) 6 SCC 368.



In this background, I find the instant submission bereft of any merit and to be an afterthought.

48. Noticees argued that the said contracts were not banned at the relevant time and there was no warning or observation post the execution of the transactions. Noticees stated that the very fact that NSE allowed trading in these contracts shows that their trading was bona fide. The said Noticees further stated that all their trades were subject to regulatory supervision of NSE and SEBI and trades were actually executed at the available strike prices within the price range permitted by the NSE. They argued that the concerned stock exchange failed to adopt effective safeguards in terms of SEBI Circular dated April 23, 2014. In this regard, I note that the stock exchange merely provides a platform for carrying out the trades, while the obligation to ensure the genuineness of the trades primarily lies on the Noticees. Further, I observe that it cannot be a coincidence that the Noticees executed such a trading pattern wherein positions were getting squared off actively/repeatedly with a significant difference of contracts prices among them in a circular fashion in all the aforementioned contracts during the IP. This is but an outcome of a meeting of minds. In this context, I deem it appropriate to refer to the Hon'ble SAT order in the case of *Ketan Parekh v. SEBI*¹¹, wherein the Hon'ble SAT has held 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”.

49. Similarly, Hon'ble Supreme Court in the case of *SEBI v. Kishore Ajmera*¹² held as under:

“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

¹¹Appeal No. 2/2004

¹²(2016) 6 SCC 368.



therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion ... In these cases, the volume of trading in the illiquid scrips in question was huge, the extent being set out hereinabove. While the said fact by itself i.e. proximity of time between the buy and sell orders may not be conclusive in an isolated case such an event in a situation where there is a huge volume of trading can reasonably point to some kind of a fraudulent/manipulative exercise with prior meeting of minds ... 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” .

In light of the aforesaid discussions and by the placing reliance on the said judgments, I find that the present contention of the Noticees lacks merit and hence rejected.

50. Noticees submitted that the time gap between buy and sell orders was one to three days and hence, they cannot be termed as artificial trades. They stated that trades were executed in the normal course and were squared off to minimise the losses. In this regard, I note that it defies logic that the Noticees’s trades matched consistently with the same counterparties in a short span of time without there being any prior meeting of minds to trade at a predetermined time, price and quantity. It is also noteworthy that one set of Noticees have consistently booked losses while other set of Noticees have booked profits. In this regard, reference is made to the observation of the Hon’ble Supreme Court in the matter of *SEBI v. Rakhi Trading Pvt. Ltd. and other*¹³ wherein it was held as under:

“31... In the instant case, one party booked gains and the other party booked a loss. Nobody intentionally trades for loss. An intentional trading for loss per se, is not a genuine dealing in securities. The platform of the stock exchange has been used for a non-genuine trade. Trading is always with the aim to make profits. But if one party consistently makes loss and that too in preplanned and rapid reverse trades, it is not genuine; it is an unfair trade practice.”

Consequently, this instant contention of the Noticees lacks merit and hence, cannot be accepted.

51. Noticees averred that the decision of Hon’ble SAT in the matter of *Ketan Parekh v. SEBI* and *SEBI v. Rakhi Trading* are distinguishable as they pertained to the equity segment and there was a lack of trading pattern in the present case unlike the said cases. At the outset, I note that trades of Noticees, which were executed with

¹³(2018) 13 SCC 753



impeccable precision in price, quantity, and timing, alongside repeated losses/profits with the same entities, cannot be dismissed as lacking a trading pattern. Further, reference is made to the following observation of the Hon'ble Supreme Court in the matter of *SEBI v. Rakhi Trading Pvt. Ltd. and other*¹⁴:

“33... As far as reversal of trades is concerned, the senior counsel has sought to distinguish Ketan Parekh (supra) as it pertained to dealings in the cash segment whereas the present case deals with the F&O segment. The learned senior counsel has strenuously argued that no rules of the game have been violated.

34. We are unable to agree with the arguments of the learned senior counsel appearing for Rakhi Trading. Regulation 4(1) in clear and unmistakable terms has provided that “no person shall indulge in a fraudulent or an unfair trade practice in securities”. In Securities and Exchange Board of India and Ors. v. Shri Kanaiyalal Baldevbhai Patel and Ors., it has been held by this Court that a trade practice is unfair if the conduct undermines the ethical standards and good faith dealings between the parties engaged in business transactions....”

Accordingly, this contention of the Noticees cannot be accepted.

52. With regard to the submission by the Noticees that the underlying stock of the options was liquid in nature and was part of NIFTY/NIFTY JUNIOR/S&P 500, I note that while the underlying scrip in the stock option may have been liquid, the stock options in which the Noticees have traded were illiquid, and the Noticees were able to trade at prices with wide variation on account of such illiquidity. Therefore, this submission of the Noticees is bereft of any merit and hence rejected.

53. Noticees, *inter alia*, contended that the derivative market is a “zero-sum game” and thus in each and every case one party will inevitably make a profit and the counterparty will make a loss. I note that the trades executed by Noticee in the contracts were reversal trades, in which the buy and sell orders were executed with substantial differences without any trading strategy and with one set of parties continuously making losses and the other set consistently making losses. The trading pattern shows perfect matching of price, quantity and time wherein there is hardly any difference between the sell order time and the buy order time in all the contracts. In my view, such matching of orders repeatedly and continuously between the Noticees cannot be said to be a coincidence. In this regard, considering the same *in toto* along with attending circumstances, it is discernible that the aforesaid reversal trades were

¹⁴ *Ibid.*



non-genuine. Therefore, I note that the aforesaid contentions of the Noticees are without any merit.

54. With respect to the reliance placed by Noticee No. 1 on the case of *Electro Steel Casting Limited v. UV Asset Reconstruction Company Limited*¹⁵, I note that the observations of the Hon'ble Supreme Court were rendered specifically in the context of section 34 of the SARFAESI Act. Hence, the *ratio* of the said case is inapplicable to the factum of the present case.

55. Noticees argued that the assertion that the said stock options were illiquid is incorrect. In this regard, I note that each contract is backed by its trade details, which have been provided as Annexure to the SCN, documenting the volume in the relevant contract and thereby directly refuting the instant claim of Noticees. Further, the submission of the concerned Noticees is not backed by any material and hence, remains unsubstantiated. Therefore, this contention of the Noticees cannot be accepted.

56. Noticees further contended that they have traded in fewer trading days during the investigation period and their individual trades and volumes are miniscule in terms of total trades in the respective contracts during the investigation. Noticee No. 3 placed reliance on the order of Hon'ble SAT in the matter of *Indivar Traders Pvt. Limited v. SEBI*, *Vasudev Ramchandra Kumar v. SEBI* and *Ramod Kumar Agarwal (HUF) v. Adjudicating Officer* to contend that minuscule trades do not translate into manipulative trading patterns. Further, Noticees argued that as the stock options were illiquid, even a small quantity or volume would look significant. In this regard, I, based on the discussion above, note that the acts and conduct of Noticees cannot be viewed in isolation rather the same has to be viewed against the background of the said Noticees's collective manipulative and fraudulent effort to create artificial volume through the said circular trades during the IP. From the material on record, it is evident that the volume of the trades of the said Noticees's cannot be said to be minuscule, as the impact of these circular trades in most contracts was higher than 90%. I further note that the said Noticees have conveniently side-stepped the moot issue and

¹⁵ LL 2021 SC 682



avoided explaining as to how such a trading strategy compelled them to place orders in the illiquid stock options in a manner which resulted in sustained profits for one group and others for the other group. Further, I find it apt to refer to the judgment of Hon'ble SAT in the matter of *Neetu Gupta v. SEBI*¹⁶ wherein it was held as follows:

"Having heard the learned counsel for the parties, we are of the considered view that the impugned transactions, in the facts and circumstances of the matter, would fall in the realm of violations of PFUTP Regulations. Individual argument that each entity's trade is miniscule and only on a few days alone etc. is not sufficient to rebut the findings in the impugned order ... In such matters, the preponderance of probability based on the totality of circumstances, as held by the Apex Court in the matter of Kishore R. Ajmera (2016) 6 SCC 368 squarely applies. The orders in Jayprakash Bohra (2016) 6 SCC 368 (Supra) and Shri Lakhi Prasad Kheradi (Supra) also apply the same ratio".

Therefore, I note that aforesaid contentions of the Noticees are without any merits.

57. Noticees also cited the case of *Parveen v. State of Haryana* to aver that a meeting of mind between the conspirators for the intended object of committing an illegal act is essential for fastening liability under section 120B of IPC. Further, Noticee No. 1 quoted the order of *Hanumnat v. State of Madhya Pradesh* with respect to the appreciation of circumstantial evidence. Further, Noticees cited the case of *Digambar Vaishnav v. State of Chhattisgarh* to submit that the burden of proof lies squarely on the prosecutor. In this regard, I note that all the said cases relied upon by Noticees arise out of criminal proceedings. Here, I note that the instant proceedings are of civil nature. I rely on the judgment of the Hon'ble High Court of Bombay in the case of *SEBI v. Cabot International Capital Corporation* wherein it was observed that :

"the adjudication for imposition of penalty by Adjudication Officer, after due inquiry, is neither a criminal nor a quasi criminal proceeding. The penalty leviable under this Chapter or under these sections is penalty in cases of default or failure of statutory obligation or in other words, breach of civil obligation. The provisions and scheme of penalty under SEBI Act and the regulations, there is not element of criminal offence or punishment as contemplated under criminal proceedings."

58. In this background, I note that the principles enunciated in the said cases cited by Noticees were rendered in a different factual matrix and legal context and cannot be

¹⁶Appeal No. 423 of 2019.



applied to the facts of the present case. Therefore, the reliance placed on the said decisions is misconceived and does not advance the case of Noticees.

59. Noticees submitted that they had traded in other contracts during the IP and the trades alleged in the present matter form a low percentage of their total trades. In this regard, I note that the issue in the present matter is limited to 57 contracts alleged in the SCN. Even assuming that the concerned Noticee had executed trades in other contracts during IP, it in no manner dilutes or negates the allegation levied in the SCN. Accordingly, this submission of Noticees does not merit consideration.

60. Noticees placed reliance on the matter of *Balram Garg v. SEBI*¹⁷ to buttress their submission as to how circumstantial evidence is to be appreciated. Here, I note that the observation of the Hon'ble Supreme Court in the said matter was made specifically in the context of SEBI (Prohibition of Insider Trading) Regulations, 2015 in the unique facts and circumstances of estranged family relationships in the said case and not PFUTP Regulations. Therefore, the observation of the Hon'ble Supreme Court in the said matter cannot be applied to the facts of the present case.

61. Noticees argued that stock brokers have not been made party to the instant proceedings due to which the chain of connection are broken. It is noted that the purpose of the present proceeding is to only adjudge the allegations brought against Noticees. Non-impleading or not initiation of proceedings *qua* other entities cannot be taken as a ground to seek an exoneration from the allegations made in the present proceeding. I place reliance on the findings made by Hon'ble SAT in the matter of *Systematix Shares & Stocks (India) Limited v. SEBI*¹⁸ wherein it was, *inter alia*, held as under:

"...It is true that the Board has taken action selectively against a few entities involved in the alleged wrong doing. According to the appellant the Board should have proceeded against all wrong doers and the action against the appellant and a few entities alone is also discriminatory. We cannot subscribe to this view since the Board has set its own benchmark in selecting cases for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful."

¹⁷ Civil Appeal No.7054 of 2021.

¹⁸ Appeal No. 21 Of 2012.



Therefore, the instant submission of the Noticees is not tenable and hence rejected.

62. Noticees contended that inducement is *sine qua non* for establishing the charge of fraud. In this regard, I note that Hon'ble SAT in the matter of *Ketan Parekh v. SEBI*¹⁹ held as under:

“...This creates an impression that the stock is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks. In other words, the general investing public gets induced to buy such stocks. ... Circular trading is among the easiest ways to increase volumes. Tragically, retail investors and day traders are most vulnerable to such trading as they follow the herd mentality because they lack market intelligence and experience to diagnose such cases and they are usually the ones left holding the parcel when the music stops. The manipulators who had taken large positions in the beginning normally cash out and the consequences of manipulation are borne by the innocent investors...” (Emphasis supplied)

Therefore, the said submission of the Noticees is not tenable and hence rejected.

63. Noticees stated that allegation and consequent threat to levy penalty is violative of article 20 (1) of the Constitution of India as it proposes to impose penalty for violation of law which was not in force at the time of alleged transaction. In this regard, I note that Noticees have been charged with the violation of sections 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a), (n) of PFUTP Regulations and the said provisions were very much in force when the impugned circular trades were executed. Moreover, Hon'ble Supreme Court in the case of *SEBI v. Ajay Agarwal*²⁰ observed are as under:

“37. Even if penalty is imposed after an adjudicatory proceeding, persons on whom such penalty is imposed cannot be called an accused. It has been held that proceedings under Section 23(1A) of Foreign Exchange Regulation Act, 1947 are adjudicatory in character and not criminal proceedings (See Director of Enforcement v. M.C.T.M. Corporation Pvt. Ltd., (1996) 2 SCC 471). Persons who are subjected to such penalties are also not entitled to the protection under Article 20(1) of the Constitution
38. Following the aforesaid ratio, this Court cannot hold that protection under Article 20(1) of the Constitution in respect of ex-post facto laws is available to the respondent in this case....”

Considering the foregoing, I reject this contention of the Noticees *in limine* as the same does not deserve further attention.

¹⁹Appeal No. 02 of 2004.

²⁰ (2010) 3 SCC 764.



64. Noticees stated that trades cannot be treated as illegal unless there is some connection with the counterparties. In this regard, Noticees relied on the orders of Hon'ble SAT in the matter of *HB Securities, Nishith M. Shah, Jagruti Securities, SPJ Stockbroker Pvt. Ltd. and Sanjay Agarwal* and SEBI in the matter of *Cupid*. I note that as noted in the preceding paragraphs, the execution of trades by Noticees in the options segment of NSE with such precision in terms of order placement, time, price, quantity, etc., clearly indicates a prior meeting of minds with a view to executing the reversal trades at a pre-determined price. The only reason for the wide variation in prices of the same contract, within a span of few days, was 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. As the collusion between Noticees stands established, the aforesaid orders have no bearing on the said case. Hence, the present argument of the concerned Noticees is untenable.

65. From the discussion in the preceding paragraphs, I find that Noticees have failed to demonstrate any reasonable or plausible explanation for unique trading pattern demonstrated in the said contracts during the IP.

66. In this context, upon a holistic examination of the material available on record, the sequence of events and the abovementioned observations and findings, it emerges that Noticees were involved in a pattern of circular transactions wherein positions were squared off with substantial price differences in a closed loop with close proximity in buy and sell orders in the said contracts. The repetitive nature of these transactions, devoid of any justification, points to the fact that there was a predetermined arrangement to square off the trades and book profits and losses respectively. It is further evident that the buy and sell orders were placed in close temporal proximity. Such coordination in order placement, coupled with similarity in traded volumes, cannot be attributed to chance rather it indicates a prior meeting of minds. It is also noted that almost the entire traded quantity in each of the impugned contracts was squared off within a short duration of few days. The consequence of this unique trading



pattern was that one set of entities, consistently realised positive square-off differences, while the counter-set correspondingly suffered losses, thereby indicating a deliberate transfer of benefits amongst the Noticees. Furthermore, the volume involved in these circular transactions constituted more than 80% of the total traded volume on the respective trading days in the said contracts. The convergence of factors, viz., repetitive circular trading, near simultaneous placement of buy and sell orders with similar volume, high concentration of volumes, and consistent transfer of financial benefit within the group collectively form a compelling pattern which shows that trades were not executed in the normal course. The evidence, when viewed in totality, leads to the clear inference on the scale of preponderance of probabilities that the impugned trades were not undertaken with the intent of genuine trading or risk assumption, but were structured to create a misleading appearance of trading and generate artificial volumes in the impugned contracts.

67. In this background, I note that the Hon'ble Supreme Court in the matter of *SEBI v. Kanaiyalal Baldevbhai Pate*²¹ avowed that to attract regulations 3 and 4 of the PFUTP Regulations, the correct test is one of the preponderance of probabilities. The Court held that:

"the inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified."

68. In the same vein, Hon'ble Supreme Court in *SEBI v. Kishore R Ajmera*²² held as under:

"... 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"

²¹ (2017) 15 SCC 1.

²² AIR 2016 SC 1079.



69. Further, the Hon'ble SAT in the case of *Ketan Parekh v. SEBI*²³ 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".

70. In view of the foregoing and the guidance derived from the above referred orders of Hon'ble Supreme Court and Hon'ble SAT, I find that Noticees entered into non-genuine circular trades that created misleading appearance of trading in the said contracts.

71. Consequently, I find that Noticees have violated sections 12A (a), (b), (c) of SEBI Act read with regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and (n) of PFUTP Regulations.

II. Does the violation, if any, on the part of Noticees attract a monetary penalty under section 15HA of the SEBI Act?

III. If so, what would be the monetary penalty that can be imposed upon Noticees taking into consideration the factors stipulated in section 15J of the SEBI Act?

72. From the previous paragraphs, the violation of sections 12A (a), (b), (c) of SEBI Act read with regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) and (n) of PFUTP Regulations has been established against Noticees.

73. Noticees relied upon the case of *Hindustan Steel v. State of Orissa*²⁴ to submit that when there is a technical or venial breach of the provisions, the authority competent to impose the penalty will be justified in refusing to impose the penalty. I note that the position has since been clarified by the Hon'ble Supreme Court in its order in the case of *Chairman SEBI v. Shriram Mutual Fund*²⁵, wherein it was held that decision in case

²³ Appeal no. 2 of 2004.

²⁴ (1969) 2 SCC 627

²⁵ (2006) 68 SCL 216 (SC)



of Hindustan Steel Ltd. pertained to criminal/quasi criminal proceedings and it would not apply to civil liabilities under the SEBI Act and regulations made thereunder.

74. Further, Noticees cited the decision in *Maharashtra State Board of Secondary Education and Higher Secondary Education v. K.S. Gandhi*²⁶ wherein it held that depending on the nature and gravity of the misconduct, lesser punishment may be meted out. In this regard, I find that the allegation of violations that were established in the case relied upon by Noticees are different from the violations that have been established in the present case of Noticees. I have perused the said orders of the Hon'ble Supreme Court referred to by the Noticees. In this context, I note that in the matter of *SEBI v. Sandip Ray*²⁷, Hon'ble Supreme Court, *inter alia*, held as under:

“Learned counsel for appellant further submits that even review application filed to make a correction in the order and to justify that the order reducing the penalty below Rs. 1,00,000/- is not permissible under Section 15-HB of the SEBI Act, 1992. After we have heard learned counsel for the appellant, it clearly manifests that the Tribunal has not taken into consideration the effect and mandate of Section 15-HB of the SEBI Act, 1992. Taking into consideration the facts and circumstances of this case, there appears no justification in calling upon the respondent and we modify the order impugned dated 29.07.2022 and the penalty of Rs. 75,000/- as inflicted upon noticee no. 5 (Mr. Sandip Ray) and noticee no. 6 (Mr. Rajkumar Sharma), as referred to in para no. 13 of the order impugned, is modified and substituted to Rs. 1,00,000/- in terms of Section 15-HB of SEBI Act, 1992 and with this modification the present appeals stand disposed of.”

75. Therefore, I find that the reliance placed by the Noticees on the aforesaid order of the Hon'ble Supreme Court is misplaced. Thus, I find no merit in this contention of the Noticees.

76. Accordingly, Noticees are liable for payment of a monetary penalty in terms of section 15HA of SEBI Act. The text of the aforementioned section 15HA of SEBI Act is reproduced below:

“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.”

²⁶(1991) 2 SCC 716

²⁷Civil Appeal No. 791 of 2023.



77. While determining the quantum of penalty under the aforesaid sections, the following factors stipulated in section 15J of the SEBI Act are taken into account:

“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.”

78. The available records do not specify loss, if any, suffered by the investors due to such violations. As regards the repetitive nature of the default, I note that the material on record has not brought to the fore any penalty imposed by SEBI in the past against the Noticees.

79. Noticee No. 5 contended that profit has been incorrectly computed for the option contracts ‘IOC91PE2503’. From the perusal of the material on record, I note that the actual loss of Noticee No. 5 in the said contracts was Rs. 64,025 respectively in the contract ‘IOC91PE2503’ and not Rs. 2,42,450 as mentioned in the SCN. Therefore, I find merit in the instant contention of the Noticee No. 5.

80. For imposition of penalty, I have also taken into account the profits and losses made by the Noticees while dealing in the impugned contracts.

81. However, it is noted from the order dated December 15, 2023²⁸ of the Hon’ble SAT that NSE vide order dated November, 2023 had levied a penalty of 100% for the loss incurred by Noticee No. 1. The same has been considered while determining the penalty.

82. It is important to note that such manipulative acts as established in the present proceedings can tend to mislead and influence the investment decision of investors. Therefore, such acts violate the fundamental tenets of market integrity. Such illegal

²⁸ Appeal No. 970 of 2023



acts, if dealt with lightly, could seriously undermine investors' confidence in the securities market.

83. I have also taken note of the number contracts each Noticee dealt in, details of which is given below:

Table 7

Noticee No.	Noticee Name	No. of contracts
1	MVM Securities Private Limited	39
2	MVM Commodities Private Limited	1
3	Govinda Shares & Securities Private Limited	5
4	Navin Textiles Marketing Private Limited	14
5	Sureshkumar Khimajibhai Doshi	34
6	Epoch Synthetics Private Limited	20
7	Trinetra Company Private Limited	6

84. The aforementioned factors have been taken into consideration while adjudging the penalty.

ORDER

85. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in preceding paragraphs and in the exercise of powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I, hereby, impose the following penalty on Noticees:

Table 8

Noticee No.	Noticee Name	Penalty
1.	MVM Securities Private Limited	Rs. 49,00,000/- (Rupees Forty-nine lakh only)
2.	MVM Commodities Private Limited	Rs. 11,00,000/- (Rupees Eleven lakh only)
3.	Govinda Shares & Securities Private Limited	Rs. 15,00,000/- (Rupees Fifteen lakh only)
4.	Navin Textiles Marketing Private Limited	Rs. 24,00,000/- (Rupees Twenty-four lakh only)
5.	Sureshkumar Khimajibhai Doshi	Rs. 44,00,000/- (Rupees Forty-four lakh only)
6.	Epoch Synthetics Private Limited	Rs. 30,00,000/- (Rupees Thirty lakh only)
7.	Trinetra Company Private Limited	Rs. 16,00,000/- (Rupees Sixteen lakh only)



86. The said penalty is commensurate with the lapses/omissions on the part of Noticees.

87. Noticees shall remit/pay the said amount of penalty within 45 days of receipt of this order through the 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.

88. In terms of the provisions of rule 6 of the Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date : January 30, 2026
Place : Mumbai

JAI SEBASTIAN
ADJUDICATING OFFICER