

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/AS/RJ/2024-25/31336]**

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

In respect of:

Abhishek Gupta

(PAN: AKGPG4117L)

In the matter of dealing in Illiquid Stocks Options at BSE

FACTS OF THE CASE IN BRIEF

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

2. Pursuant to investigation by SEBI, it was observed that during IP, a total of 2,91,744 trades comprising substantial 81.41% of all the trades executed in Stock Options of BSE were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. The investigation revealed that 14,720 entities were involved in executing non-genuine trades in BSE's Stock Options segment during the investigation period. It was observed that Abhishek Gupta (PAN **AKGPG4117L**) (hereinafter referred to as the "**Noticee**") was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were alleged to be non-genuine in nature and created a false or misleading appearance of trading in terms of artificial volumes in stock options and therefore were alleged to be manipulative and deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee for alleged violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**").

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI appointed Mr. Sudeep Mishra as Adjudicating Officer in the matter vide communique dated July 06, 2021, under Section 19 read with Section 15-I of SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**") to inquire and adjudge under section 15HA of SEBI Act. Pursuant to transfer of cases, the undersigned was appointed as Adjudicating Officer in the matter vide order dated September 13, 2024.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Based on the findings by SEBI, Show Cause Notice dated November 18, 2021 (hereinafter referred to as “**SCN**”) was issued to the Noticee under Rule 4(1) of Adjudication Rules to show cause as to why an inquiry should not be held and penalty should not be imposed on it for the alleged violations of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
5. It was alleged in the SCN that the Noticee had executed two non-genuine trades in one stock options contract creating artificial volume of 40,000 units on July 02, 2015. Summary of dealings of the Noticee in the said options contract, in which the Noticee allegedly executed non-genuine trades during the I.P, is as follows:

Table No. 1

Contract name	Avg. sell rate (in Rs.)	Total sell volume (no. of units)	Avg. buy rate (in Rs.)	Total buy volume (no. of units)	% of Artificial volume generated by the Noticee in the contract to Noticee's Total volume in the contract	% of Artificial volume generated by the Noticee in the contract to Total volume in the contract
IOCL15SEP430.00CE	15.8	20,000	6	20,000	100	100

6. The abovementioned reversal trades and volumes are illustrated through the dealings of Noticee in one contract, viz., "IOCL15SEP430.00CF" during the investigation period, as follows:
- (a) During the investigation period, 2 trades for 40,000 units were executed by the Noticee in the said contract on 02/07/2015.
- (b) While dealing in the said contract on 02/07/2015, at 12:13:34.051682 hrs the Noticee entered into a buy trade with counterparty J. B. Overseas for 20,000

units at Rs. 6.00 per unit. At 12:13:37.942432 hrs the Noticee entered into a buy trade with the same counterparty, for 20,000 units at Rs. 15.80 per unit.

(c) The Noticee's two trades while dealing in the aforesaid contract during the investigation period allegedly generated artificial volume of 40,000 units, which made up 100% of total market volume in the said contract during this period

7. In response, the Noticee, vide email dated December 10, 2021, *inter alia*, stated as under:

“... Sir, I belong to the lower middle class. After receiving this letter, I and my family are mentally very disturbed and stressed. Therefore, I tell you that I have nothing to do with this matter and I have not done any such transaction. Please get the transaction mentioned in the above letter number investigated in detail again so that the true facts can come out. If you need any help from my side, I am ready to give you full support from my side. I also want to bring it to your notice that I have not opened any account in the firm mentioned in the referenced letter. Nor have I bought or sold any shares or securities etc. ...” (Translated from Hindi)

8. Thereafter, vide Post SCN Intimation (hereinafter referred to as “**PSI**”) dated August 08, 2022, Noticee was informed that SEBI has introduced a Settlement Scheme i.e. SEBI Settlement Scheme, 2022 (hereinafter referred to as “**Settlement Scheme 2022**”) in terms of Regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”). It was further informed that the Settlement Scheme, 2022 provided a one time opportunity to the entities against whom proceedings had been initiated and appeals against the said proceedings are pending before any forum or authority. The scheme commenced from August 22, 2022 and closed on November 21, 2022.

9. Pursuant to that, vide public notice dated November 21, 2022, it was advertised/informed that *“Considering the interest of entities in availing the Scheme, the competent authority has extended the period of the Scheme till January 21, 2023”*.

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

11. Thereafter, vide letter dated January 14, 2023, Noticee, *inter alia*, stated as under:

“...I 'Abhishek Gupta' have informed you (SEBI) in the above referenced letter that the information illegal share trading by the director of Mauzampuriah Broking firm has been done in my name, that the above mentioned trading was not done by me. AXXX GXXX¹, director of Mauzampuriah Broking firm, has obtained a copy of my PAN card from somewhere and by forging my signature, has prepared forged documents and opened a share trading account in my name and has done illegal share trading of IOCL company shares in my name.

It should also be noted that the applicant has neither given any amount from his account to the said broking company for the so-called share trading nor did I receive any money in my account in my name after the fake trading nor did I sign any share trading form.

The applicant first came to know about the said fake trading from the above letter issued by your office dated 18 November 2021, after which I continuously contacted the director of the said broking firm, AXXX GXXX¹, and requested him to cancel the notice issued by (SEBI), but as no concrete action was taken, Legal notice was sent to the directors of the firm through my advocate with Registered Postal Number RU127319952IN dated 02.01.2023, a copy of which was also sent to (SEBI) with (Regd. Postal Number RU127319952IN).

¹ Name excised for privacy.

Therefore, you are requested to take legal action against Mauzampuriah Broking firm and its director Shri AXXX GXXX¹ involved in the said fake share trading and direct that the amount of fine of Abhishek Gupta be recovered from the director of Mauzampuriah Broking firm, Shri AXXX GXXX¹.

Sir, the applicant is from the lower middle class and is employed in a private institution, hence he is unable to trade shares and transact such a huge amount. The fine and other expenses proposed by you together will amount to approximately Rs. 1,50,000/- (Rs. one lakh fifty thousand). I will give my savings of Rs. 3,000/- x 12 x 4 which is left after meeting my family expenses. You can check my past and present financial status yourself from my PAN and Aadhaar....” (Translated from Hindi)

12. In the interest of natural justice, vide notice of hearing dated May 22, 2023, Noticee was granted opportunity of being heard on June 15, 2023.

13. In this regard, Noticee, vide email dated June 11, 2023, *inter alia*, submitted as under:

“... No trading has been done by the applicant, which I have been bringing to your notice through letters dated 14/01/2023 and 21/01/2023. However, the trading was done by the Mauzampuriah Broking Firm / under the direction of Firm's Director AXXXX GXXX¹. No action is being taken against through whom the above mentioned trading has been done” (Translated from Hindi)

14. Noticee along with his authorized representative appeared for the hearing on June 15, 2023, and submitted the following:

- a. Noticee reiterated its earlier submissions and stated that he will be making additional submission in the matter by first week of July 2023.

15. Noticee, vide email dated July 12, 2023, submitted its additional submissions which included copy of the complaint filed by Noticee with police on January 20, 2023, letter dated July 12, 2023 of Mr. Sarvesh Chandra Dubey and PAN Card of Mr. Abhishek Gupta.

16. Subsequently, a second PSI dated March 06, 2024, was issued to the Noticee wherein it was informed to the Noticee that SEBI introduced another Settlement Scheme i.e. SEBI Settlement Scheme, 2024 (hereinafter referred to as **“Settlement Scheme 2024”**) in terms of Regulation 26 of Settlement Regulations. It was informed that the Settlement Scheme, 2024 provided opportunity to the entities against whom proceedings had been initiated and appeals against the said proceedings are pending before any forum or authority. The scheme commenced from March 11, 2024 to May 10, 2024. However, the second PSI dated March 22, 2024 also could not be delivered to the Noticee at his last known address and it returned undelivered to SEBI with remarks that ‘left without instructions’.

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

18. It is observed that Noticee did not avail the Settlement Scheme 2024 and accordingly, the adjudication proceeding against the Noticee was resumed.

19. In view of the change of AO, in the interest of natural justice, vide notice of hearing dated October 10, 2024, Noticee was granted an opportunity of being heard on November 04, 2024. The Noticee appeared for the hearing on November 04, 2024 and submitted the following:

- a. Noticee reiterated the submissions made vide replies dated December 10, 2021, January 14, 2023, June 11, 2023 and July 12, 2023.

CONSIDERATION OF ISSUES AND EVIDENCE

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

- I. **Whether the Noticee has violated Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(a) of PFUTP Regulations?**
- II. **Do the violations, if any, on the part of the Noticee attract monetary penalty under section 15HA of SEBI Act?**
- III. **If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act?**

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

Relevant provisions of PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly –

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognised stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*

- (c) *employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognised stock exchange;*
- (d) *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognised stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder.*

4. Prohibition of manipulative, fraudulent and unfair trade practices

- (1) *Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- (2) *Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely;-*
 - (a) *indulging in an act which creates false or misleading appearance of trading in the securities market;*

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

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

23. From the documents on record, I note that the Noticee was one of the entities who had indulged in creating artificial volume of 40,000 units through two non genuine reversal trades in one stock options contract during IP. The summary of trades is given below:

Table No. 2

Contract name	Avg. buy rate (in Rs.)	Total buy volume (no. of units)	Avg. sell rate (in Rs.)	Total sell volume (no. of units)	% of Artificial volume generated by the Noticee in the contract to Noticee's Total volume in the contract	% of Artificial volume generated by the Noticee in the contract to Total volume in the contract
A	B	C	D	E	F	G
IOCL15SEP430.00CE	6	20,000	15.8	20,000	100	100

24. On July 02, 2015, the Noticee, at 12:13:34 hours, entered into a buy trade in a contract named viz, "IOCL15SEP430.00CE " with counterparty, J.B. Overseas for 20,000 units at Rs. 6 per unit. On the same day, within a few minutes, at 12:13:37 hours, the Noticee entered into a sell trade with the same counterparty, for 20,000 units at Rs. 15.8 per unit. It is noted that while dealing in the said contract during the IP, the Noticee executed a total of two trades (one buy trade and one sell trade) with the same counterparty viz, J.B. Overseas on the same day and with significant price difference in buy and sell rates. It is observed that the Noticee's two trades while dealing in the aforesaid contract during the investigation period generated artificial volume of 40,000 units, which made up 100% of total market volume in the said contract during this period.

25. The Noticee has contended that the impugned trading was undertaken by the Mauzampuriah Broking Firm / under the direction of Firm's Director Mr. AXXX GXXX¹. In this regard, Noticee has stated that Mr. AXXX GXXX¹, director of Mauzampuriah Broking firm, has obtained a copy of his PAN card from somewhere

and forged his signature and based on the forged documents, a share trading account in his name was opened and impugned trades were executed in the scrip of IOCL. In support of his contention, Noticee has adduced copy of the complaint dated January 20, 2023 filed by the Noticee, legal notice dated January 14, 2023 sent to Mauzampuriah Broking Firm and also provided status of the case no. 113170/2023 as on July 11, 2023. I note that the said complaint dated January 20, 2023 was addressed to the SHO of Gwaltoli PS wherein the Noticee has requested for registering FIR against the Director of the Mauzampuriah Broking Firm, Mr. AXXX GXXX¹. From the perusal of the said complaint, I note that it cannot be deciphered whether any FIR was registered based on the said complaint. Even assuming that an FIR was registered based on the said complaint, I note that the crucial details like FIR no., name of the accused, etc. has not been provided by the Noticee. In the absence of said document being provided, it cannot be discerned whether the case no. 113170/2023 has any nexus with the complaint dated January 20, 2023. Adding on, Noticee has also not furnished any documents pertaining to the proceedings of the said case no. 113170/2023, like Orders of the concerned court, stage of proceedings, chargesheet, etc. Therefore, the contention that the first information report has been lodged against Mauzampuriah Broking Firm / Mr. AXXX GXXX¹ cannot be a ground to seek exoneration in the present case. Moreover, apart from the said documents, no materials/supporting documents have been provided by the Noticee in this regard. Thus, in the absence of any supporting documents/materials, the submission of the Noticee that his trading account was opened and operated by a third person cannot be accepted.

26. In this regard, I note that non-genuineness of these transactions executed by the Noticee is evident from the fact that there was no commercial basis as to why, within a span of few seconds, the Noticee reversed the position with the same counterparty with significant price difference on the same day. The fact that the transactions in a particular contract were reversed with the same counterparties indicates a prior meeting of minds with a view to execute the reversal trades at a

pre-determined price. Since these trades were done in illiquid option contracts, there was negligible trading in the said contract and hence, there was no price discovery in the strictest terms. The wide variation in prices of the said contract, within a short span of time, is a clear indication that there was pre-determination in the prices by the counterparties while executing the trades. Thus, it is observed that Noticee had indulged in reversal trades with its counterparty in the stock options segment of BSE and the same were non-genuine trades.

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

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

“...According to us, knowledge of who the 2nd party / client or the broker is, is not relevant at all. While the screen based trading system keeps the identity of the parties anonymous it will be too naïve to rest the final conclusions on the said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming...in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. The conclusion has to be gathered from various circumstances

like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. The illustrations are not exhaustive.

It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion.”

29. The observations made in the aforesaid judgment of Hon'ble Supreme Court apply with full force to the facts and circumstances of the present case. Therefore, applying the ratio of the above judgments, it is observed that the execution of trades by the Noticee in the illiquid options segment with such precision in terms of order placement, time, price, quantity etc. and also the fact that the transactions were reversed with the same counterparty clearly indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. The only reason for the wide variation in prices of the same contract, within a short span of time, was a clear indication that there was pre-determination in the prices by both the counterparty when executing the trades. Thus, the nature of trading, as brought out above, clearly indicates an element of prior meeting of minds and therefore, a collusion of the Noticee with its counterparty to carry out the trades at pre - determined prices.

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

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

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

“Considering the reversal transactions, quantity, price and time and sale, parties being persistent in number of such trade transactions with huge price variations, it will be too naive to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the board's circular. The impugned transactions are manipulative/deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities.....”

32. Therefore, the trading behaviour of the Noticee confirms that such trades were not normal, indicating that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in

respective contracts. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c) and (d), 4(1), 4(2)(a) of PFUTP Regulations by the Noticee stands established.

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

33. Considering the findings that the Noticee as mentioned above has executed non-genuine trades resulting in the creation of artificial volume, thereby violating the provisions of Regulation 3(a), (b), (c) & (d) & Regulation 4(1) and 4(2)(a) of the PFUTP Regulations and in terms of the judgement of Hon'ble Supreme Court of India in the matter of **SEBI v. Shriram Mutual Fund** [2006] 68 SCL 216 (SC) decided on May 23, 2006, wherein it was held that *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant. A breach of civil obligation which attracts penalty in the nature of fine under the provisions of the Act and the Regulations would immediately attract the levy of penalty irrespective of the fact whether contravention must be made by the defaulter with guilty intention or not."*, I am convinced that it is a fit case for imposition of monetary penalty under the provisions of Section 15 HA of SEBI Act which reads as under:

"Penalty for Fraudulent and Unfair trade practices.

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

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

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

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

15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

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

35. As established above, the trades by the Noticee were non-genuine in nature and created a misleading appearance of trading in the aforesaid contract. I note that when the impact of artificial volume created by the two counterparties is seen as a whole, it is not possible, from the material on record, to quantify the amount of disproportionate gain or unfair advantage resulting from the artificial trades between the counterparties or the consequent loss caused to investors as a result of the default. Further, the material available on record does not demonstrate any repetitive default on the part of the Noticee. However, considering that the two non-

genuine trades entered by the Noticee in one contract led to creation of artificial trading volumes which had the effect of distorting the market mechanism in the Illiquid Stock Options segment of BSE, I find that the aforesaid violations were detrimental to the integrity of securities market and therefore, the quantum of penalty must be commensurate with the serious nature of the aforesaid violations.

ORDER

36. In view of the above, after considering all the facts and circumstances of the case and the factors mentioned in the provisions of Section 15J of the SEBI Act, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, conclude that the proceedings against the Noticee stands established in terms of the provisions of the SEBI Act. Hence, in view of the charges established under the provisions of the SEBI Act, I, hereby impose monetary penalty of **Rs. 5,00,000/- (Rupees Five Lakh only)** on the Noticee (Abhishek Gupta) under section 15HA of SEBI Act for the violation of Regulations 3(a), (b), (c) and (d), 4(1), 4(2)(a) of PFUTP Regulations. I am of the view that the said penalty is commensurate with the violations committed by Noticee.

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

ENFORCEMENT >Orders >Orders of AO> PAYNOW;

38. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticee.

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

Place: Mumbai

Date: March 27, 2025

ASHA SHETTY

ADJUDICATING OFFICER