

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

**In the matter of settlement applications filed under the SEBI Settlement Scheme for
Stock Brokers - 2022**

1. As part of ongoing surveillance, the Securities and Exchange Board of India (hereinafter referred to as “SEBI”) noted several instances of trades by a set of entities trading in the options segment of certain stocks listed on the Bombay Stock Exchange (hereinafter referred to as “BSE”) in the Financial Year 2014-15. These trades appeared to be abnormal since they were consistently found to result in significant losses to a counterparty which were then reversed with the same set of counterparties, either on the same day or the next day.
2. SEBI conducted an analysis of the stock options segment of BSE during the period April 1, 2014 to September 30, 2015 pursuant to which it was confirmed that several entities were consistently incurring significant losses through their trades, while several others were consistently making significant profits, by executing reversal trades in the stock options segment on the BSE. The trading was carried out in the illiquid options of certain scrips in the F&O segment of BSE. It was further noted that out of 21,652 entities that had executed trades on the BSE Stock Options Segment, a total of 14,720 entities were involved in the generation of artificial volumes by executing non-genuine/reversal trades on the same day itself.
3. The case of illiquid stock options pertaining to stock brokers through whom 14,720 clients had executed trade reversals was taken up for detailed investigation. Upon conclusion of the same, adjudication proceedings were initiated against 150 stock brokers under Section 15HB of SEBI Act, 1992 for the alleged violation of the relevant provisions of the Schedule II of the Code of Conduct for Stock Brokers read with Regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992 while certain stock brokers were also charged under Section 15HA of the SEBI Act, 1992 since they had failed to take any remedial measures despite receiving alerts from BSE resulting in the alleged violation of Section 12A(a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003.

4. SEBI received a representation from Indian Council of Investors to frame a settlement scheme for stock brokers similar to the SEBI Settlement Scheme that was introduced for the clients on the advice of the Securities Appellate Tribunal. Since, SEBI had also received settlement applications from the set of 150 stock brokers in the same matter, SEBI decided to introduce Settlement Scheme for Stock Brokers in terms of Regulation 26 of SEBI (Settlement Proceedings) Regulations 2018 (hereinafter referred to as “Settlement Regulations”) so as to provide a one-time opportunity to the stock brokers against whom proceedings had been initiated by SEBI and that were pending in the matter of their trading in the illiquid stock options segment at BSE. Regulation 26 of the Settlement Regulations reads as under:

Settlement Schemes.

26. Notwithstanding anything contained in these regulations, the Board may specify a settlement scheme for any class of persons involved in respect of any similar specified defaults.

Explanation. - A settlement order issued under a Settlement scheme shall be deemed to be a settlement order under these regulations

5. Accordingly, SEBI framed the Settlement Scheme for Stock Brokers (hereinafter referred to as “Scheme 2022”) in accordance with the provisions of the Regulation 26 of the Settlement Regulations upon the approval of the Competent Authority. A Public Notice dated November 28, 2022 was issued about the Scheme 2022 and the modalities for availing the benefit of the Scheme 2022. The Notice was also made available on the website of the BSE.
6. In terms of the Scheme 2022, any stock broker desirous of availing the benefit of the scheme could avail the same by filling up the requisite details and paying the applicable settlement amount and registration amount through the online platform made available on the website of SEBI (www.sebi.gov.in).
7. A total of 124 entities availed the benefit of the Scheme 2022 and remitted the specified settlement amount respectively. The details of the applicants and the payments made by them is placed as **Annexure-A**.
8. In view of the above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 26 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that have been initiated and are pending before any forum or authority for the violations as mentioned in paragraph 3 be settled *qua* the applicants mentioned at **Annexure-A** from Serial

Nos. 1 to 124 and as per the following terms:

- i. SEBI shall not initiate any other action against the said applicants for the said defaults;
 - ii. SEBI shall not continue the proceedings already initiated in respect of the applicants for the defaults as mentioned earlier.
9. The passing of this order is however without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate actions including continuing the proceedings against the applicants, in case SEBI finds that:
 - a. any representation made by the applicant/s in the present settlement proceedings is untrue;
 - b. the applicant/s has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
10. This settlement order is passed on this 14th day of March, 2023 and shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be published on the website of SEBI.

Sd/-

ANANTH NARAYAN G.
WHOLE TIME MEMBER

Sd/-

ASHWANI BHATIA
WHOLE TIME MEMBER

ANNEXURE-A

SERIAL NO.	NAME OF THE APPLICANT	PAN NUMBER	SETTLEMENT AMOUNT (₹)
1	MSB E-TRADE SECURITIES LTD.	AAACB2837M	100000
2	DB (INTERNATIONAL) STOCK BROKERS LTD.	AAACD0852G	200000
3	MITHUN SECURITIES PRIVATE LIMITED	AAACM5632M	100000
4	OPG SECURITIES PVT.LTD.	AAACO1081C	100000
5	SMC GLOBAL SECURITIES LTD.	AAACS0581R	600000
6	SHRI PARASRAM HOLDINGS PVT.LTD.	AAACS4487J	100000
7	SKI CAPITAL SERVICES LTD.	AAACS4864K	100000
8	VISHWAS FINCAP SERVICES PVT.LTD.	AAACV4205D	100000
9	CNB FINWIZ PVT.LTD.	AABCB2613A	500000
10	INDUS PORTFOLIO PVT.LTD.	AABCI3730R	100000
11	MLB CAPITAL PVT. LTD.	AABCM3390D	100000
12	MARCK SECURITIES PVT.LTD.	AACCM5188N	500000
13	BHAJEE PORTFOLIO LTD.	AACCB9390H	100000

14	BEST BULL STOCK TRADING PVT.LTD.	AACCB7733N	600000
15	MATRI MANGAL TRADING PVT. LTD.	AAFCM9370H	200000
16	SUNGLOW CAPITAL SERVICES LTD.	AABCS8877R	100000
17	PLG SECURITIES PVT. LTD.	AAFCP5917M	100000
18	SAT PAL RAWAL	AAAPR1276R	100000
19	JHAVERI SECURITIES LTD.	AAACJ4727A	600000
20	SUNFLOWER BROKING PVT.LTD.	AAACN5165E	100000
21	JAINAM SHARE CONSULTANTS PVT.LTD.	AABCJ3918N	100000
22	MARWADI SHARES & FINANCE LTD.	AABCM5192K	100000
23	ACML CAPITAL MARKETS LTD.	AADCA4629D	100000
24	MARFATIA STOCK BROKING PVT.LTD.	AADCM6730B	600000
25	MATALIA STOCK BROKING PVT.LTD.	AADCM9097M	100000
26	TRADEBULLS SECURITIES PVT.LTD.	AADCT2020P	100000
27	BHANSALI VALUE CREATIONS PVT. LTD.	AAECB3879K	600000
28	A C AGARWAL SHARE BROKERS PVT. LTD.	AAFCA6859H	100000
29	MARKET HUB STOCK BROKING PVT. LTD.	AAFCM6417R	100000

30	AIRAN FINSTOCKS PVT.LTD.	AAGCA7065A	100000
31	PRUDENT BROKING SERVICES PVT.LTD.	AABCN5461G	200000
32	ORION STOCKS LTD.	AABCO0296Q	500000
33	GIRIRAJ STOCK BROKING PVT. LTD.	AACCG7581R	100000
34	ZERODHA BROKING LTD.	AABCZ2616B	100000
35	EXCLUSIVE SECURITIES LTD.	AAACE4332L	100000
36	INDO THAI SECURITIES LTD.	AAACI4380E	100000
37	NIRMAN SHARE BROKERS PVT.LTD.	AABCN3007C	100000
38	SWASTIKA INVESTMART LTD.	AABCS6585J	600000
39	BP EQUITIES PVT.LTD.	AAACB4602L	100000
40	HFL SECURITIES LIMITED	AAACI7397D	100000
41	KAMAL KUMAR JALAN SECURITIES PVT.LTD.	AAACK5617J	100000
42	LKP SECURITIES LTD.	AAACL0963A	100000
43	MAGNUM EQUITY SERVICES LTD.	AAACM4483G	100000
44	SATCO CAPITAL MARKETS LIMITED	AAACS6813N	600000
45	KMS STOCK BROKING CO.PVT.LTD.	AABCK6900B	600000
46	SPS SHARE BROKERS PVT.LTD.	AABCS9622C	600000

47	ALACRITY SECURITIES LTD.	AACCA0737D	100000
48	NAYAN M. VALA SECURITIES PRIVATE LIMITED	AACCN3191Q	100000
49	VIJETA BROKING INDIA PVT.LTD.	AACCV6700F	100000
50	RIKHAV SECURITIES LTD.	AADCR3067Q	100000
51	ACROSS BROKING PRIVATE LIMITED	AAGCA8645J	100000
52	ARIHANT CAPITAL MARKETS LTD.	AABCA6832G	100000
53	JM FINANCIAL SERVICES LIMITED	AAACJ5977A	100000
54	INDIA CAPITAL MARKETS PVT.LTD.	AABCN0802B	100000
55	DEALMONEY SECURITIES PVT. LTD.	AACCD2614A	100000
56	CHOICE EQUITY BROKING PRIVATE LIMITED	AADCC8390B	600000
57	GLOBALWORTH SECURITIES LTD.	AADCG7624G	100000
58	ABANS SECURITIES PVT. LTD.	AAGCA6645Q	600000
59	MKB SECURITIES PVT LTD	AACCB7074J	100000
60	GEOMETRY VANIJYA PVT. LTD.	AACCG6000B	100000

61	R K GLOBAL SHARES AND SECURITIES LIMITED	AAACR5786P	100000
62	R.K.STOCK HOLDING PVT.LTD.	AACCR0011K	100000
63	NARAYAN CAPITAL SERVICES PVT. LTD.	AACCK5633Q	100000
64	FINDOC INVESTMART PVT LTD	AABCF8332L	100000
65	SHAVETA STOCK & SECURITIES PVT.LTD.	AAOCS3376A	100000
66	VINOD SHARES LTD.	AACCV2842G	100000
67	RAJENDRA MODI SHARE BROKERS PVT. LTD.	AADCR4907R	100000
68	MAVERICK SHARE BROKERS PVT. LTD.	AAECM8942N	100000
69	NAVJEEVAN EQUITY BROKING PVT. LTD.	AACCG2788C	100000
70	HARSH SHARES BROKING PVT. LTD.	AACCH4347L	100000
71	THAR SHARE BROKERS PVT. LTD.	AACCT0147Q	100000
72	MOTISONS SHARES PVT.LTD.	AAECM3530C	100000
73	BASAN EQUITY BROKING LIMITED	AADCB2796E	100000
74	CHUKNOO SECURITIES LTD.	AAACC6034B	100000
75	ADROIT FINANCIAL SERVICES PVT.LTD.	AABCA1156D	500000
76	RUDRA SHARES & STOCK BROKERS LTD.	AADCG1458J	100000

77	RAGHUNANDAN CAPITAL PVT.LTD.	AADCR7430F	100000
78	MULTIGAIN SECURITIES SERVICES PRIVATE LIMITED	AAFCM6197E	100000
79	ASHLAR SECURITIES PRIVATE LIMITED	AAHCA9621P	100000
80	ACHINTYA SECURITIES PVT. LTD.	AAFCM2199G	100000
81	SEEMA SECURITIES PVT.LTD.	AACCS7683Q	100000
82	MAUZAMPURIA SECURITIES BROKING PVT LTD	AAFCM7214E	100000
83	TRUSTLINE SECURITIES LTD.	AAACK1251G	100000
84	ANG CAPITAL SERVICES PVT.LTD.	AACCA7060K	500000
85	FORT SHARE BROKING PVT.LTD.	AAACF9358F	100000
86	KREDENT BROKERAGE SERVICES PRIVATE LIMITED	AAACI8269C	100000
87	LOHIA SECURITIES LTD.	AAACL5834A	100000
88	V.G.CAPITAL MARKET PVT.LTD.	AAACV9904D	100000
89	YASHWI SECURITIES PVT. LTD.	AAACY2134J	100000
90	DHAN STOCK & SHARE BROKERS PVT.LTD.	AABCD2039A	100000
91	EXCEL STOCK BROKING PVT.LTD.	AABCE8639D	100000
92	GRD SECURITIES LTD.	AABCG7534M	100000

93	NAKAMICHI SECURITIES LTD.	AABCN0733D	100000
94	P.R.B.SECURITIES PVT.LTD.	AABCP5425G	100000
95	VEDIKA VANIJYA PVT. LTD.	AACCV5180F	500000
96	HORIZON FINANCIAL CONSULTANTS PVT. LTD.	AACCV9411H	100000
97	PREFERRED SECURITIES PVT.LTD.	AADCP2529H	100000
98	SARA SECURITIES PVT. LTD.	AADCS5951Q	100000
99	VT CAPITAL MARKET PVT. LTD.	AADCV5205A	100000
100	MANU STOCK BROKING PVT.LTD.	AAECM3713B	100000
101	PROFICIENT EQUITIES PVT. LTD.	AAECP3230E	100000
102	SHREE BAHUBALI STOCK BROKING LIMITED	AAECS4019E	100000
103	SAMRIDHI STOCKS PVT.LTD.	AAECS4902L	100000
104	MI STOCK BROKING PVT LTD	AAGCM3006K	100000
105	SANKALP SHARE BROKERS PVT.LTD.	AAICS6652B	100000
106	HARISH KUMAR SINGHANIA	AKVPS1237L	100000
107	TRANS SCAN SECURITIES PVT LTD	AAACT9239M	100000
108	ODYSSEY SECURITIES PVT. LTD	AABCO1366R	100000

109	NS BROKING PVT. LTD.	AACCN4934F	100000
110	KAYAN SECURITIES PVT. LTD.	AABCK3359A	100000
111	SONA GLOBAL LTD.	AADCS7343C	100000
112	MOUSUMI DEB ROY	AWLPR6540D	100000
113	MILLENNIUM STOCK BROKING PRIVATE LIMITED	AACCM2853Q	100000
114	ABHINANDAN STOCK BROKING PVT. LTD.	AAICA8362N	100000
115	RAIMA EQUITIES PVT.LTD.	AABCE2177Q	100000
116	ARYAV SECURITIES PVT. LTD.	AAICA8339D	100000
117	LALIT KUMAR TULSHYAN	ADKPT8308H	100000
118	RJ STOCK BROKING PVT.LTD.	AAACP8295M	100000
119	SKUNG TRADELINK LTD	AAOCS2485A	200000
120	ECONO BROKING PVT. LTD. (PAN: AADCB8817A) (EARLIER KNOWN AS BANSAL COMTRADE PVT. LTD.)	AADCB8817A	100000
121	AJMERAS ASSOCIATES LTD.	AADCA7062J	100000
122	PASHUPATI CAPITAL SERVICE PVT. LTD.	AACCP0795J	100000
123	JRK STOCK BROKING PVT.LTD.	AABCJ8648K	100000
124	ARHAM SHARE CONSULTANTS PVT. LTD.	AAICA6860F	100000

