

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER
INTERIM EX PARTE ORDER**

Under Sections 11(1), 11(4), 11B(1) and 11D of the Securities and Exchange Board of India Act,
1992

**In Re: Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade
Practices Relating to Securities Market) Regulations, 2003**

In respect of:

Sl. No.	Name of the Entity	PAN
1	Bijal Shah	ASJPS7964A
2	Gopal Ritolia	ACDPR2237H
3	Jatin Chawla	ADWPC6578N
4	Amit Bhanwarlal Jajoo	ACKPJ6937H
5	Manish Kumar Jajoo	ACJPJ2985J
6	Gomati Devi Ritolia	ACGPR9008K
7	Daljit Gurucharan Chawla	ABCPC8988J
8	Monika Lakhotia	AATPL4205B
9	Pushpadevi Jajoo	ADGPJ8701N
10	Bhawarlal Ramniwas Jajoo	AABPJ0947J
11	Bhawarlal Jajoo HUF	AAAHB0043A
12	Ritesh Kumar Kamalkishore Jajoo	ACRPJ5219M
13	Successure Partners	ADFS6666H
14	Yash Anil Jajoo	BECPJ4821F
15	Vimla Somani	ALBPS1701N

(collectively referred to as “Noticees”)
In the matter of Zee Entertainment Enterprises Ltd.

Background

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) alert system had generated insider trading alerts for the scrip of Zee Entertainment Enterprises Ltd. (hereinafter referred to as “ZEEL” / “Company”) for the month of August 2020 around the corporate announcement of audited financial results of ZEEL for the quarter ended June 30, 2020 made to BSE and NSE.
2. Thereafter, based on the aforesaid alert, SEBI conducted a preliminary examination in the scrip of ZEEL to ascertain whether certain persons / entities traded in the said scrip while they were in possession of unpublished price sensitive information in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) read with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “PIT Regulations”).
3. ZEEL is mainly in the businesses of broadcasting of satellite television channels, space selling agent for other satellite television channels, and sale of media content. The company is listed on both NSE and BSE in cash and derivatives segment.

SEBI’s Examination:

4. SEBI’s preliminary examination *prima facie* observed the following:
 - 4.1. Connected entities were observed to be trading in advance of the below mentioned events:

Table No. 1

Sl. No.	Corporate Announcements/ Press release
1.	Financial Results for the period ended June 30, 2020, Announcement dated August 18, 2020
2.	Launch of Cinema 2 Home Service, Zee Plex Announcement dated September 1, 2020
3.	Financial Results for the period ended September 30, 2020, Announcement dated November 2, 2020
4.	Financial Results for the period ended September 30, 2019, Announcement dated October 17, 2019

- 4.2. The information relating to financial results for quarter ended June 2020, launch of Zee Plex Service, financial results for quarter ended September 2020 and September 2019 were

Unpublished Price Sensitive Information (hereinafter referred to as “**UPSI 1 to 4**” respectively) in terms of regulation 2(1) (n) of PIT Regulations.

4.3. As per the findings of the preliminary examination, following is the period of UPSI, for the multiple UPSIs mentioned at Table 1:

Table No. 2

Sl. No.	UPSI	UPSI Period	Evidence
1.	Information relating to Financial Results for the period ended June 30, 2020, Announcement dated August 18, 2020	July 1 - August 18, 2020	Extract of the Structured Digital Database related to the financial results, intimation to the Exchanges regarding Board meeting and publication of UPSI on the websites of Exchanges.
2.	Information relating to Launch of Cinema 2 Home Service, Zee Plex Announcement dated September 1, 2020	August 20 - September 1, 2020	Chronology of events provided by the company and press release by the company.
3.	Information relating to Financial Results for the period ended September 30, 2020, Announcement dated November 2, 2020	October 1 - November 2, 2020	Extract of the Structured Digital Database related to the financial results, intimation to the Exchanges regarding Board meeting and publication of UPSI on the websites of Exchanges.
4.	Information relating to Financial Results for the period ended September 30, 2019, Announcement dated October 17, 2019	October 7-17, 2019	Intimation to the Exchanges regarding Board meeting and publication of UPSI on the websites of Exchanges.

4.4. Mr. Bijal Shah (hereinafter referred to as “**Noticee No. 1**”) is working as Head - Financial Planning & Analysis, Strategy and Investor Relations ZEEL from September 2016 onwards. In this capacity he would be expected to be involved in balance sheet analysis, budgeting, MIS reporting, etc. Therefore, he assumes an important role in organization and deals with numbers concerning performance of the company on an ongoing basis. Further, Noticee No. 1’s presence was also observed in each and every conference call (since Q1FY20) conducted by ZEEL to discuss financial results of the company. It was also observed that he was in regular touch with some of the entities who were aware about the launch of Zee Plex Service. Therefore, it was *prima facie* observed that he has access to the material non-public information with respect to the financial results of the company and launch of Zee Plex. Thus, he being an employee of ZEEL and having access to UPSI, is an insider in terms of regulation 2(1)(g)(i) of PIT Regulations.

4.5. Based on educational background, employment history, call data records (hereinafter referred to as “**CDRs**”) and financial dealings, it is *prima facie* observed that Noticee No. 1 is connected to Mr.

Gopal Ritolia (hereinafter referred to as “**Noticee No. 2**”) and Mr. Jatin Chawla (hereinafter referred to as “**Noticee No. 3**”). Further, on the analysis of KYC details, social media posts, bank statements and CDRs, it is *prima facie* observed that Noticee No. 3 is connected to Mr. Amit B Jajoo (hereinafter referred to as “**Noticee No. 4**”). Moreover, Noticee No. 4 has family and financial relationship with Mr. Manish Jajoo (hereinafter referred to as “**Noticee No. 5**”).

4.6. It was found during the preliminary examination that during the UPSI 1 period, Noticee Nos. 2 and 3 have executed trades in the trading account of their mother namely Ms. Gomati Devi Ritolia (hereinafter referred to as “**Noticee No. 6**”) and Ms. Daljit Chawla (hereinafter referred to as “**Noticee No. 7**”), respectively. Noticee No. 4 during the UPSI 1 period has executed trades in the trading account of his spouse, Ms. Monika Jajoo / Monika Lakholia (hereinafter referred to as “**Noticee No. 8**”), his mother, Ms. Pushpadevi Jajoo (hereinafter referred to as “**Noticee No. 9**”), his father, Mr. Bhawarlal Jajoo (hereinafter referred to as “**Noticee No. 10**”) and Bhawarlal Jajoo HUF (hereinafter referred to as “**Noticee No. 11**”). Noticee No. 5 during the UPSI 1 period has executed trades in the trading account of his brother, Mr. Ritesh Jajoo (hereinafter referred to as “**Noticee No. 12**”), partnership firm, Successure Partners (hereinafter referred to as “**Noticee No. 13**”) and his nephew, Mr. Yash Jajoo (hereinafter referred to as “**Noticee No. 14**”).

4.7. It was also noted at the time of preliminary examination that trades were executed from the trading accounts of Noticee Nos. 6 and 7 during UPSI 2 period. Moreover, trades were also executed from the trading accounts of Noticee No. 6 during UPSI 3 and 4 periods.

4.8. It was observed from the trading pattern of the trades executed from the trading accounts of the aforesaid Noticees that they had bought significant number of shares and / or taken long positions in the scrip of ZEEL prior to the announcement(s) and had sold the shares and / or squared off their open position in the scrip, subsequent to the announcement. In the said process, Noticees had *prima facie* generated substantial proceeds.

4.9. Thus, in view of the foregoing, Noticee No. 1, by communicating the UPSIs to Noticee Nos. 2 and 3, Noticee No. 3 by communicating the UPSI to Noticee No. 4 and Noticee No. 4 by communicating the UPSI to Noticee No. 5, have *prima facie* violated the provision of SEBI Act and PIT Regulations. Further, Noticee Nos. 2 to 5 by executing trades while in possession of and on the basis of UPSI from the trading accounts of their connected entities, have *prima facie* violated the provision of SEBI Act and PIT Regulations. Noticee Nos. 6 to 14 by giving access to their accounts to Noticee

Nos. 2 to 5, have *prima facie* engaged in inside trading and thus have *prima facie* violated SEBI Act.

Consideration & Prima Facie Findings

5. I have perused the findings of the preliminary examination conducted by SEBI and other material available on record. On perusal of the same, following *prima facie* issues arise for consideration:
 - 5.1. **Issue No. 1:** *Whether information relating to the financial results of ZEEL for the quarter ending June 30, 2020, September 30, 2020 and September 30, 2019 as well the launch of cinema 2 home service, Zee Plex, were UPSI. If so, what were the UPSI Periods?*
 - 5.2. **Issue No. 2:** *Whether Noticees No. 1 to 5 are insiders in terms of PIT Regulations?*
 - 5.3. **Issue No. 3:** *Whether Noticees No. 2 to 5, while in possession of and on the basis of UPSI, have executed trades in the scrip of ZEEL in the trading accounts of their connected entities?*
 - 5.4. **Issue No. 4:** *Based on the answer to issue nos. 2 and 3, whether there are relevant provisions of SEBI Act and PIT Regulations that have been violated by the Noticees and who all are prima facie liable for the same?*
 - 5.5. **Issue No. 5:** *On determination of the above issues, whether urgent directions, if any, should be issued in the present matter?*
6. In order to determine the issues raised in the foregoing paragraph, it would be sufficient to examine, whether the relevant Noticees, as insiders, traded while in possession of UPSI. However, in the instant case, *prima facie*, the preliminary examination, has brought out that the impugned trading is also *prima facie* on the basis of UPSI. In this regard, a discussion on *Delta* analysis of the trading by the Noticees would be relevant as it stands as one of the evidence of how an entity has traded in the market on the basis of UPSI. Therefore, a brief discussion on the significance of *Delta* analysis is brought out below.
 - 6.1. By way of an illustration, if an insider was in possession of positive UPSI about a Company, and traded while in possession of such UPSI, he would be expected to buy the shares of the Company before such information became public. Once the information became public, since it was positive in nature, it would be expected that the share price of the company would go up and the insider would then sell the shares at such higher price, thereby making a profit using the UPSI. It may be noted though, that the policy of the PIT Regulation is to prevent dealing in securities, while in

possession of UPSI irrespective of whether the UPSI is positive or negative and irrespective of whether profit is made or not.

- 6.2. If the UPSI happened to be negative, then the insider would be expected to sell the shares of the Company at a particular price before the UPSI became public (including short selling if he did not already hold the shares). Once the information became public, since it was negative in nature, it would be expected that the share price of the Company would fall and the insider would then buy the shares at such lower price, thereby closing his short selling position at a profit (sold higher, bought back lower), using the UPSI.
- 6.3. The illustration described above is with reference to the cash segment of the market where the shares of the companies are bought and sold. However, over the years, the derivatives segment of the market has become multiple times the size of the cash segment and Futures and Options (F&O) have become an even bigger opportunity for an insider to make profit using UPSI. In fact, the F&O segment gives the insider a very “efficient” route to making unlawful gains. Cash segment is settled on T+2 basis whereas F&O segment is settled on the last Thursday of the month (settlement date). Thus, the insider can keep his buy/sell position open for longer in the F&O segment, without having to settle the trade. During this time, the insider is only required to post margin for his trades, and not pay for the value of the full shares. Thus, with even a relatively small amount of money, he can take large leveraged positions in the F&O segment for a much larger number of shares.
- 6.4. By way of an illustration, in Futures, the modus operandi of the insider is very similar to the cash segment since buying a Future today in a particular Company at a particular price is effectively a commitment to buy a share of that Company on settlement date at that price. Similarly, on selling Futures of a particular scrip at a particular price today, there is effectively a commitment to deliver the shares on the settlement date at that particular price. In general, the Futures price of a share moves in tandem with the price of the underlying share. So, if the UPSI is positive, the insider will buy Futures of the Company before the UPSI becomes public, and sell the Futures after the price has gone up subsequent to the UPSI becoming public. Similarly, if the UPSI is negative, he would first sell Futures of the Company before the UPSI becomes public and buy the Futures back at a lower price after the UPSI has become public. Thereby booking a profit.
- 6.5. In the case of Options, the mechanism works a little differently since there are a large number of possible permutations and computations in terms of the positions that the insider can take. And

for each of these positions, there can be a large number of strike prices that the insider chooses based on his assessment of how much the price of the share will go up or down.

- 6.6. By way of an illustration, let us assume that the Current Market Price (CMP) of a Company's share is Rs 100. If the UPSI is positive, and the insider expects the share price to go up. Thus, he would want to buy a call option. Suppose he buys the Call option at a strike price of Rs 100/- only i.e. at CMP itself. In this transaction, the Intrinsic Value of the option would be zero (0) since strike price = CMP. So he would need to pay only for Time Value of the Option. This would be a relatively a small amount. Depending on the volatility of the share price and time left till expiry, let us assume that this is 2% of the CMP i.e. Rs 2/- (Rupees two only) per share. After the UPSI becomes public and the Market Price of the share goes up from Rs 100/- to say Rs 105/-, the price of that Call Option will move significantly. Firstly, the Intrinsic Value of the Option itself will become Rs. 5/- (CMP-strike price). In addition, the time value would also stay approximately the same i.e. Rs. 2/-, if the time to expiry is still approximately the same. Thus, the total value would be Rs 7/-. Now the insider would sell the option he is holding, at this price, and book a profit of Rs 5/- thereby earning a return of 2.5 times on his investment.
- 6.7. If the UPSI is negative, he would Sell a Call Option, wait for the price of the share (and therefore the price of the Call Option) to fall post UPSI becoming public, and buy it back at a lower cost, thereby booking a profit.
- 6.8. Following similar logic, it would be observed that if the UPSI is positive, the insider might also choose to Sell a put option, apart from buying Futures or buying a Call Option as described above. And if the UPSI is negative, he may choose to Buy a Put Option, apart from selling Futures or selling a Call Option. As mentioned earlier, options can be bought and sold at various strike prices (in the illustration above, a strike price equal to the prevailing market price was taken @ Rs 100. However, the market offers many alternative strike prices, both above and below the prevailing market price)
- 6.9. Since the various permutations and combinations of positions as outlined above can create complexity, it is important to find a single measure that captures the overall net position of the trader in terms of whether the overall net position reflects that he is expecting the price of the share to go up or down. This is particularly important when analyzing the trades/positions of a person who is indulging in Insider Trading since such a person may try and camouflage his

directional view (share price expected to go up or down) by taking some positions contrary to his directional view while overall his net positions show a clear directional view.

- 6.10. A metric called the “*Delta*” of the positions is such a metric that is used by the market and the traders to monitor their overall net position across all their trades/positions. Essentially, the net *Delta* of the various positions taken by the insider, indicates:
- 6.10.1. What the net overall directional view of the insider is i.e. does he expect the share price to go up or down?
 - 6.10.2. If the view is positive, and if the share price of the company goes up by Rs 1, how much approximate profit will the insider make?
 - 6.10.3. If the view is negative, and if the share price of the company goes down by Rs 1, how much approximate profit will the insider make?
 - 6.10.4. If the view of the insider turns out to be wrong (i.e. He expects share price to go up, but it goes down OR he expects share price to go down, but it goes up) then how much approximate loss will he make?
 - 6.10.5. How confident is the insider about his view?
- 6.11. For example, if the insider thinks that the share price will go up, then the net *Delta* of his positions will be positive, say 1,00,000, and this means that for every Rs. 1 increase in the share price, the insider will make an approximate profit of Rs. 1,00,000/-. But if his view goes wrong, and the share price goes down, then for every Rs 1 fall in the share price, he will make an approximate loss of Rs 1,00,000.
- 6.12. Similarly, if the insider thinks that the share price will go down then the net *Delta* of his positions will be negative, say -1,00,000, it means that for every Rs 1 fall in the price of the company’s share price, the insider will make an approximate profit of Rs 1,00,000/-. But if his view goes wrong, and the share price goes up, then for every Rs 1 increase in share price, he will make an approximate loss of Rs 1,00,000/-.
- 6.13. As can be seen above, the cost of the view going wrong is as high as the benefit of the view being right. Thus, when an insider runs a high *Delta*, [either (+) or (-)] it shows that he is very confident about his view. Particularly when his *Delta* in that share is compared with the *Delta* he runs in other shares (if he is a regular trader) OR with the *Delta* he runs in the same share when he does NOT have UPSI.

6.14. Insiders may try and defend themselves by pointing to some of their transactions which are contrary to the overall directional view. They may claim that if they had UPSI, they would try and maximize their profit and the fact that they entered into contrary trades shows that this was not the case. However, it is noted that such contrary trades can be entered into for two reasons:

6.14.1. Precisely to camouflage their main trades and to try and build a defence on these lines which is belied by their overall net *Delta*.

6.14.2. In order to execute their main trades, they need funds either to buy options or to furnish margins. In order to generate some amount of funds for this purpose, they may enter into contrary trades, particularly options at strike prices that they are confident about, to generate funds.

6.15. This is why net *Delta* is such a powerful metric, because it nets out all the camouflage and all the complexity, and gives a simple measure of how much approximate profit the insider stands to make if his directional view based on the UPSI turns out to be right, and equally, how much loss he stands to make if his directional view turns out to be wrong.

7. Given the above background on *Delta*, I proceed with the determination of *prima facie* findings of the present case:

Issue No. 1: *Whether information relating to the financial results of ZEEL for the quarter ending June 30, 2020, September 30, 2020 and September 30, 2019 as well the launch of cinema 2 home service, Zee Plex, were UPSI. If so, what were the UPSI Periods?*

8. Before proceeding further, it will be relevant to note the definition of “unpublished price sensitive information”. Regulation 2(1)(n) of PIT Regulations defines “unpublished price sensitive information”. The text of the said regulation is reproduced below:

Regulation 2(1)(n) of PIT Regulations:

“unpublished price sensitive information” means any information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- i. financial results;*
- ii. ...*
- iii. ...*

iv. *mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;*

...

NOTE: It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

9. Thus, from the aforesaid definition of unpublished price sensitive information, it is observed that the following three ingredients are essential to qualify an information as an unpublished price sensitive information:

9.1. The information must be directly or indirectly related to a company or its securities;

9.2. The information must not be generally available;

9.3. The information upon becoming generally available, is likely to materially affect the price of the securities.

Moreover, in terms of regulations 2 (1)(n)(i) and 2 (1)(n)(iv) of PIT Regulations, financial results, mergers and expansion of business are types of matters that ordinarily give rise to unpublished price sensitive information.

UPSI - 1

10. I now proceed to examine whether the information pertaining to the financial results for the period ended June 30, 2020, announced on August 18, 2020 falls within the parameters of definition of unpublished price sensitive information under regulation 2(1)(n) of PIT Regulations.

11. With respect to the first criterion, it is observed that the information regarding financial results for the period ended June 30, 2020, pertains directly to ZEEL.

12. To meet the second criterion, the information should not be “generally available”. The phrase, “generally available information” has been defined under regulation 2 (1)(e) of PIT Regulations, as follows:

“generally available information” means information that is accessible to the public on a non-discriminatory basis;

NOTE: It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.

13. The aforesaid definition which essentially means that the information should be equally accessible to the public on a non-selective and in a transparent manner i.e., accessible to the public. To put it differently, for an information to be held as generally available, the information must be uniformly and universally disseminated. One of the ways of doing so is publishing it on the website of a stock exchange.
14. In the instant matter, the financial results were announced by the company on August 18, 2020 at 15:39:47 hours, pursuant to the Board meeting which was held on August 18, 2020 to consider and to approve financial results of the company for the quarter ended June 30, 2020. The information being published on the website of the stock exchanges was uniformly and universally accessible to the public on a non-discriminatory basis. There is no evidence to show that the information regarding the financial result for the quarter ended June 30, 2020, was generally available to the public prior to August 18, 2020.
15. As per the third criterion, the information upon becoming generally available, is likely to materially affect the price of the securities. In this regard, it is observed that financial results provide a snapshot of a company's financial health giving insight into company's revenue, expenses, profitability, debt load, and the ability to meet its short-term and long-term financial obligations. As financial health of a company is one of the metric which helps the investors and other stakeholders to make an informed decision, publication of financial results *prima facie* will have a material affect on the price of the securities. Thus, the aforesaid information with respect to the financial results of ZEEL, which was not generally available and upon becoming generally available was *prima facie* likely to materially affect the price of the securities.
16. Further, the following is noted from the trading in the scrip of ZEEL on NSE:

Table No. 3

Date	Open (Rs)	High (Rs)	Low (Rs)	Close (Rs)	No. of shares traded	NSE (close)
18/8/2020	170	179.10	165.30	173.95	5,94,59,727	11385.35
19/8/2020	172.50	200	169.25	196.80	14,48,63,037	11408.40

From the above table, it is noted that the price of the scrip increased by 13.14% on the next day of announcement in comparison to the August 18, 2020 on close to close basis. Nifty during that time had increased only marginally by 0.20% points. Moreover, the number of shares traded also

increased by 143.63%. Thus, it is observed that the financial results for the period ended June 30, 2020, upon becoming generally available has *prima facie* materially affected the price of the securities of ZEEL, even though the definition of unpublished price sensitive information requires only the likely impact on the price of the security.

17. In view of the aforesaid discussions, it has been *prima facie* demonstrated that all the three ingredients of the definition of unpublished price sensitive information have been met by the information related to the financial results for the period ended June 30, 2020 and hence, it can be *prima facie* held that the information related to the financial results of ZEEL for the period ended June 30, 2020 was an unpublished price sensitive information (hereinafter referred to as “**UPSI-1**”), in terms of regulation 2(1)(n) of PIT Regulations.
18. Moreover, it is noted that regulation 2(1)(n)(i) of PIT Regulations, is part of the illustrative guidance of UPSI which is given under the definition of UPSI in regulation 2(1)(n) of PIT Regulations. Therefore, *per se* under regulation 2(1)(n)(i) of PIT Regulations, also it can be *prima facie* held that the information related to the financial results for the period ended June 30, 2020 was UPSI, prior to August 19, 2020. Further, it is observed that whether a particular information is UPSI, must be examined as per definition of UPSI and as per the facts and circumstances of each case. As noted in the preceding paragraphs, there are three parameters that must be met by an information to fall within the ambit of UPSI. The first parameter of the information relating directly or indirectly to company or its securities, is a question of fact. The second parameter of information not being generally available is a mixed question of fact and law, as a factual verification of the availability of information must be done considering the definition of “generally available information” as given under PIT Regulations. The third parameter of the information likely to affect the price of the securities, is another requirement. Thus, even the types of matters that have been given in the illustrative list as the Regulation considers the three parameters are already met with. Even though the information pertaining to the financial result which was announced by ZEEL is falling within one of the illustrative lists i.e., under regulation 2(1)(n)(i) of PIT Regulations, independent of that it has *prima facie* satisfied all the three parameters of the definition of UPSI given under regulation 2(1)(n) of PIT Regulations as well. Therefore, the information related to the financial results for the period ended June 30, 2020, was *prima facie* UPSI.
19. The next issue that arises for determination is what is the UPSI -1 period. As per regulation 3(5) of PIT Regulations, the Board of Directors of every company shall ensure that a Structured Digital

Database (hereinafter referred to as “SDD”) is maintained containing the names of such persons with whom information under regulation 3 of PIT Regulations has been shared. Also the names of such persons with whom information is shared under this regulation shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

20. In this regard, ZEEL vide its email dated March 16, 2021 had provided an extract of its SDD related to the UPSI-1. Based on the said extract of SDD, it is *prima facie* found that, the UPSI had come into existence on July 1, 2020. Presently, there is no material available on record which shows otherwise i.e. *prima facie* there is no material to discredit the assertion of the company about the timing of existence of UPSI-1.

21. Further, I find that the UPSI-1 was made public on August 18, 2020 i.e. *prima facie*, it remained unpublished till August 18, 2020 at 15:39:46 hours. On the basis of above, I *prima facie* find that the UPSI-1 period is from July 1, 2020 to August 18, 2020 (15:39:46 hours).

UPSI - 2

22. With respect to the information related to the launch of ‘Cinema 2 Home’ service ‘Zee Plex’ as announced by the company on September 1, 2020, by ZEEL, it is observed that it is a pay per view service. Further, it is a new content consumption medium for consumers and film distribution model for Producers Partners. On applying the three ingredients which are essential to qualify an information as an unpublished price sensitive information, the following is *prima facie* observed:

22.1. The information with respect to launch of Zee Plex, pertains directly to ZEEL.

22.2. There is no evidence to show that the information was generally available prior to the announcement made on September 1, 2020.

22.3. Since Zee Plex is a pay per view service, it has *prima facie* a direct bearing on the revenues of the company. Therefore, the information of launch of Zee Plex, upon becoming generally available, is *prima facie* likely to materially affect the price of the securities.

22.4. Further, the following is noted from the trading in the scrip of ZEEL on NSE:

Table No. 4

Date	Open (Rs)	High (Rs)	Low (Rs)	Close (Rs)	No. of shares traded	NSE (close)
1/9/2020	205	207.10	196.25	201.8.	3,53,61,139	11470.25

2/9/2020	203.80	221	202.20	218.15	6,49,87,080	11535.00
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From the above table, it is noted that the price of the scrip increased by 8.10% on the next day of announcement in comparison to the September 1, 2020 on close to close basis. Nifty during that time had increased only marginally by 0.56% points. Moreover, the number of shares traded also increased by 83.78%. Thus, it is observed that the information pertaining to the launch of Zee Plex, upon becoming generally available has *prima facie* materially affected the price of the securities of ZEEL, though the definition of unpublished price sensitive information requires only the likely impact on the price of the security.

23. In view of the aforesaid discussions, it has been *prima facie* demonstrated that all the three ingredients of the definition of unpublished price sensitive information have been met by the information related to the launch of Zee Plex and hence, it can be *prima facie* held that the information related to the launch of Zee Plex was an unpublished price sensitive information (hereinafter referred to as “**UPSI-2**”), in terms of regulation 2(1)(n) of PIT Regulations.
24. Moreover, it is noted that regulation 2(1)(n)(iv) of PIT Regulations, is part of the illustrative guidance of UPSI which is given under the definition of UPSI in regulation 2(1)(n) of PIT Regulations. Therefore, *per se* under regulation 2(1)(n)(iv) of PIT Regulations (expansion of business), also it can be *prima facie* held that the information related to the launch of Zee Plex was UPSI, prior to September 1, 2020.
25. The next issue that arises for determination is what is the UPSI -2 period. From the chronology of events submitted by the company vide its email dated March 15, 2021, it is observed that on August 20, 2020, the Marketing Head of Zee Studios Ltd. had a discussion regarding Zee Plex with the Head of Corporate Brand Development. Further, I find that the UPSI-2 was made public on September 1, 2020. On the basis of above, I *prima facie* find that the UPSI-2 period is from August 20, 2020 to September 1, 2020.

UPSI - 3

26. With respect to the information pertaining to the financial result for the period ended September 30, 2020, following is *prima facie* observed upon applying the parameters of definition of unpublished price sensitive information:
- 26.1. Financial result for the period ended September 30, 2020 pertains directly to ZEEL.

- 26.2. There is no evidence to show that the aforesaid information was generally available prior to it getting published on November 2, 2020 at 16:58:57 hours.
- 26.3. As discussed in preceding paragraphs, publication of financial results *prima facie* has a material effect on the price of the securities. Thus, the aforesaid information with respect to the financial result of ZEEL, which was not generally available and upon becoming generally available was *prima facie* likely to materially affect the price of the securities.
- 26.4. From the trade details, it is observed that the price of the scrip decreased by 0.76% on the next day of announcement in comparison to November 2, 2020 (close to close basis). Nifty had increased by 1.23% points during the same period.
27. In view of the aforesaid discussions, it has been *prima facie* demonstrated that all the three ingredients of the definition of unpublished price sensitive information have been met by the information related to the financial results for the quarter ended September 30, 2020 and hence, it can be *prima facie* held that the information related to the financial result of ZEEL for the quarter ended September 30, 2020 was an unpublished price sensitive information (hereinafter referred to as “**UPSI-3**”), in terms of regulation 2(1)(n) of PIT Regulations.
28. Moreover, it is noted that regulation 2(1)(n)(i) of PIT Regulations, is part of the illustrative guidance of UPSI which is given under the definition of UPSI in regulation 2(1)(n) of PIT Regulations. Therefore, *per se* under regulation 2(1)(n)(i) of PIT Regulations, also it can be *prima facie* held that the information related to the financial results for the quarter ended September 30, 2020 was UPSI, prior to November 2, 2020.
29. On the issue of determination of UPSI-3 period, it is *prima facie* found from the extract of SDD, provided by company vide its email dated March 16, 2021 that the UPSI had come into existence on October 1, 2020. Presently, there is no material available on record which shows otherwise vis-a-vis the timing of existence of UPSI-3. Further, I find that the UPSI-3 was made public on November 2, 2020 i.e. *prima facie*, it remained unpublished till November 2, 2020 at 16:58:56 hours. On the basis of above, I *prima facie* find that the UPSI-3 period is from October 1, 2020 to November 2, 2020 at 16:58:56 hours.

UPSI - 4

30. With respect to the information pertaining to the financial result for the period ended September 30, 2019, following is *prima facie* observed upon applying the parameters of definition of unpublished price sensitive information:

- 30.1. Financial result for the period ended September 30, 2019 pertains directly to ZEEL.
- 30.2. There is no evidence to show that the aforesaid information was *prima facie* generally available prior to it getting published on October 17, 2019 at 17:57:54 hours.
- 30.3. As discussed in preceding paragraphs, publication of financial results *prima facie* has a material effect on the price of the securities. Thus, the aforesaid information with respect to the financial result of ZEEL, was not generally available and upon becoming generally available was *prima facie* likely to materially affect the price of the securities.
- 30.4. From the trade details, it is observed that the price of the scrip decreased by 5.39% on the next day of announcement in comparison to October 17, 2019 (close to close basis). Nifty had increased by 0.65% points during the same period.
31. In view of the aforesaid discussions, it has been *prima facie* demonstrated that all the three ingredients of the definition of unpublished price sensitive information have been met by the information related to the financial results for the quarter ended September 30, 2019 and hence, it can be *prima facie* held that the information related to the financial result of ZEEL for the quarter ended September 30, 2019 was an unpublished price sensitive information (hereinafter referred to as “**UPSI-4**”), in terms of regulation 2(1)(n) of PIT Regulations.
32. Moreover, it is noted that regulation 2(1)(n)(i) of PIT Regulations, is part of the illustrative guidance of UPSI which is given under the definition of UPSI in regulation 2(1)(n) of PIT Regulations. Therefore, per se under regulation 2(1)(n)(i) of PIT Regulations, also it can be *prima facie* held that the information related to the financial results for the quarter ended September 30, 2019 was UPSI, prior to October 17, 2019.
33. On the issue of determination of UPSI-4 period, it is *prima facie* observed that on October 7, 2019, ZEEL intimated Exchanges regarding Board meeting to be held on October 17, 2019 to consider and to approve financial result of the company for the quarter ended September 30, 2019. Presently, there is no material available on record which shows otherwise vis-a-vis the timing of existence of UPSI-4. Further, I find that the UPSI-4 was made public on October 17, 2019 i.e. *prima facie*, it remained unpublished till October 17, 2019 at 17:57:53 hours. On the basis of above, I *prima facie* find that the UPSI-4 period is from October 7, 2019 to October 17, 2019 at 17:57:53 hours.

Issue No. 2: Whether Notices No. 1 to 5 are insider in terms of PIT Regulations?

34. It is pertinent here to refer to the relevant provision / definition of Connected Person and Insider as mentioned in PIT Regulations:

34.1. As per regulation 2(1)(d) of PIT Regulations, “connected person” means, -

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii).....

34.2. As per regulation 2(1)(g) of PIT Regulations, “Insider” means any person who is:

(i) a connected person; or

(ii) in possession of or having access to unpublished price sensitive information:

35. It is noted that Noticee No. 1 i.e., Mr. Bijal Shah is working as Head - Financial Planning & Analysis, Strategy and Investor Relations ZEEL from September 2016 onwards. His job profile entails him to deal with numbers concerning the performance of the company on an ongoing basis. Being the Head of Financial Planning & Analysis team, he would play a crucial role in the company by performing budgeting, forecasting and analysis that support major corporate decisions. Credence to this is led by the fact that Mr. Bijal Shah is one of the Designated Person of ZEEL in terms of PIT Regulations. The same indicates that his role and function in the company allows him access to UPSI.

36. In light of the aforesaid discussion, it is observed that Mr. Bijal Shah being the Head of Financial Planning & Analysis, Strategy and Investor Relations who has been entrusted the role of examining, analyzing and evaluating the financial health of the company and communicating the same with investors, will *prima facie* have access to information relating to financial results of ZEEL. Further, as observed from ZEEL earning conference call for discussing the quarter ended result for the quarters which are the subject matter of this order that Mr. Bijal Shah was a participant in the said conference calls. Thus, on a preponderance of probability basis, I am of the *prima facie* view that Mr. Bijal Shah had access to the UPSI related to the financial results for the quarter ended, June, 2020 (UPSI-1), September, 2020 (UPSI-3) and September, 2019 (UPSI-4).

37. With respect to information related to the launch of Zee Plex (UPSI-2), it is observed that as per the list provided by ZEEL vide its email dated March 15, 2021, 11 individuals were aware and some of them were; Mr. Shariq Patel (Chief Business Officer of Zee Studios Ltd.), Mr. Parag Darade (Head -

Corporate Brand Development), Mr. Nilesh Deorah (Vertical Head- Finance, Employee of Zee Studios Ltd., a Wholly owned Subsidiary Company), Mr. Atul Das (Chief Revenue Officer – Affiliates Sales), Mr. Akshay Kejriwal (Executive Assistant–MD’s Office of the Company) and Mr. Nirav Naik (Senior Manager – Corporate Brand Development). As per the chronology provided by the company, on August 20, 2020, the Marketing Head of Zee Studios Ltd. had a discussion with the Head of Corporate Brand Development of the company and there upon discussions from August 28, 2020 was related to the press release. From the aforesaid the following can be *prima facie* inferred:

37.1. Within a week from August 20, 2020, discussions regarding press release were started. The same *prima facie* shows that the information related to launch of Zee Plex had reached a high degree of crystallisation and concreteness from August 20, 2020 onwards.

37.2. It is also reasonable to infer that work / discussions on a new pay per view content consumption medium like Zee Plex, which was to be available in India and Overseas and across OTT and distribution platforms, would have started earlier than August 20, 2020.

In the aforesaid context, it is noted from CDRs of Mr. Bijal Shah that he was in regular touch with the aforesaid named entities during the period July – August, 2020. The following are the details:

Table No. 5

S. No	Entity (A)	Entity (B)	A to B		B to A		Period
			No of calls	Duration in Seconds	No of calls	Duration in Seconds	
1	Bijal Shah (996XXXX213)	Akshay Kejriwal (988XXXX225)	4	423	8	1016	July-2020
2		Nilesh Deorah (969XXXX766)	3	1186	0	0	
3		Parag Darade (982XXXX872)	4	235	4	608	

Table No. 6

S. No	Entity (A)	Entity (B)	A to B		B to A		Period
			No of calls	Duration in Seconds	No of calls	Duration in Seconds	
1	Bijal Shah (996XXXX213)	Akshay Kejriwal (988XXXX225)	5	825	2	146	August - 2020
2		Nilesh Deorah (969XXXX766)	3	949	1	87	

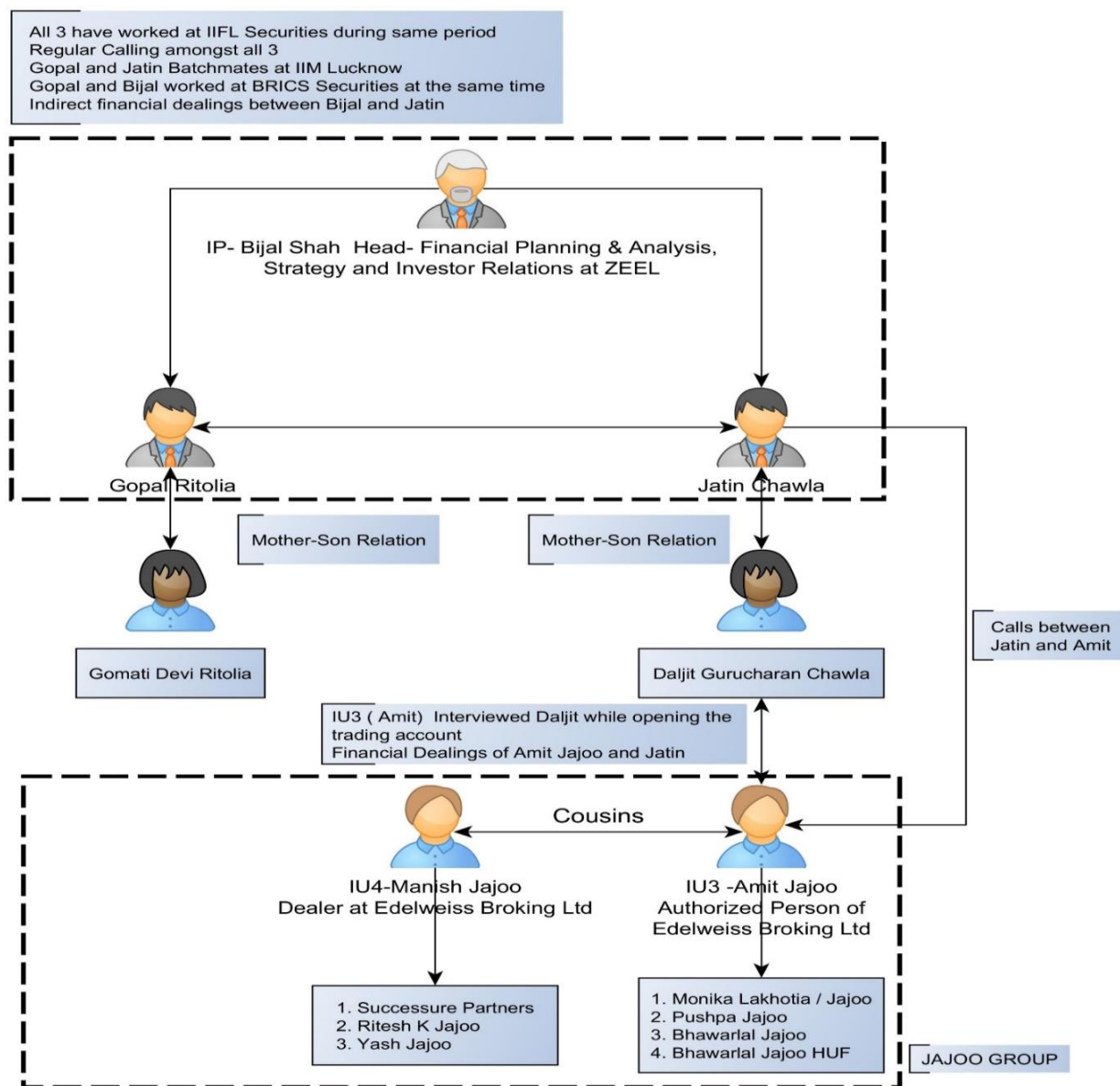
3	Parag Darade (982XXXX872)	1	54	3	163
4	Atul Das (982XXXX925)	0	0	1	281
	Nirav Naik (2271XXXX39)	0	0	1	102
5	Shariq Patel (989XXXX511)	3	1318	1	239

38. From the above, it is noted that Mr. Bijal Shah was in regular touch during the period July – August, 2020 of roll out of Zee Plex with the key employees of Zee Studios Ltd. and ZEEL who had access to UPSI-2. It has already been noted that *prima facie* the work / discussions related to Zee Plex would have started prior to August 20, 2020. Since, Mr. Bijal Shah was Head of Financial Planning & Analysis, Strategy and Investor Relations ZEEL where the job description requires budgeting, forecasting and analysing the impact of major corporate decisions on the financial health of the company, he being in regular touch with the key employees such as Chief Business Officer of Zee Studios Ltd., Vertical Head of Finance of Zee Studios Ltd., Head - Corporate Brand Development, Chief Revenue Officer of ZEEL etc., on a *prima facie* basis indicated that the discussions / communications during the period July- August, 2020 would have included the budgeting and likely impact of launch of Zee Plex on the financial health of ZEEL. Therefore, on a preponderance of probability basis I am of the *prima facie* view that Mr. Bijal Shah had access to the UPSI related to the launch of Zee Plex.

39. In light of the above discussion, I *prima facie* find that Mr. Bijal Shah, being the Head of Financial Planning & Analysis, Strategy and Investor Relations ZEEL and a designated person of ZEEL who was present in each earnings conference call for the financial results referred in the present matter and who was in regular touch during the relevant period with persons who had access to the information related to launch of Zee Plex, is reasonably expected to have access to the UPSI – 1 to 4 and on this preponderance of probability basis, I *prima facie* find that he is in possession of the UPSI – 1 to 4. Thus, Mr. Bijal Shah is *prima facie* a connected person in terms of regulation 2 (1)(d)(i) of PIT Regulations. Further, as Mr. Bijal Shah is *prima facie* a connected person and *prima facie* he is in possession of the UPSI – 1 to 4, he is also *prima facie* an insider as per regulations 2(1)(g)(i) and (ii) of PIT Regulations.

40. To determine whether Mr. Gopal Ritolia (Noticee No. 2), Mr. Jatin Chawla (Noticee No. 3), Mr. Amit B Jajoo (Noticee No. 4) and Mr. Manish Jajoo (Noticee No. 5) are *prima facie* insiders, it will be relevant first to examine whether there exists any connection *inter se* among Noticees No. 2 to 5 and with Noticee No. 1, Mr. Bijal Shah. For ease of presentation, the *prima facie* connections among Noticees No. 1 to 5 and their connected entities are depicted in below mentioned figure. The connection in a tabular format along with details of CDRs and financial transactions between Noticee No. 1's mother and Noticee No. 3 and between Noticee No. 3 and Noticee No. 4 is placed at **Annexure-A**.

Figure-1



*IP- Information Provider; IU: Information User

UPSI - 1

41. It is observed from Figure-1 that there exists a close and long relationship / connection among Noticees No. 1 to 3 for more than 15 years. It has been noted in the preceding paragraphs that Noticee No. 1 is *prima facie* an insider. Further, ZEEL on August 10, 2020 had informed the Exchanges regarding Board meeting on August 18, 2020 to consider and approve financial result for Q1 FY 2020. From the trading details of Noticee No. 6 who is the mother of Noticee No. 2, it is observed that significant positions were taken in cash segment and future contracts of ZEEL from August 11, 2020 onwards. Similarly, significant positions were taken on call options and future contracts of ZEEL by Noticee No. 7, mother of Noticee No. 3 from August 11, 2020 onwards.
42. Furthermore, on an analysis of CDRs during the period August 3, 2020 to September 2, 2020 among the Noticees No. 1 to 3 shows that several calls were exchanged among them. The details are as follows:

Table No. 7

S. No	Entity (A)	Entity (B)	A to B		B to A		Period
			No of calls	Duration in Seconds	No of calls	Duration in Seconds	
1	Bijal Shah (99XXXX213)	Gopal Ritolia (996XXXX216)	20	5692	12	1561	3/8/2020- 2/9/2020
2	Bijal Shah (996XXXX213)	Jatin Chawla (996XXXX065)	7	2780	2	657	
3	Jatin Chawla (996XXXX065)	Gopal Ritolia (996XXXX216)	5	2252	16	4806	

Table No. 8

S. No	Entity (A)	Entity (B)	A to B	B to A	Period
			No of calls	No of calls	
1	Bijal Shah (99XXXX213)	Gopal Ritolia (996XXXX216)	8	7	July, 2020
2	Bijal Shah (996XXXX213)	Jatin Chawla (996XXXX065)	5	0	
3	Jatin Chawla (996XXXX065)	Gopal Ritolia (996XXXX216)	0	9	

43. By comparing the aforesaid two tables, it can be seen that the frequency of calls among the Noticees No. 1 to 3 have increased from July, 2020 to period, August 3, 2020 to September 2, 2020. Further, on August 10, 2020 when ZEEL intimated Exchanges regarding Board meeting on August 18, 2020 to consider and approval of financial result of the company for the quarter ended June 30, 2020, the calls observed among the three is as under:

Table No. 9

S. No	Entity (A)	Entity (B)	A to B		B to A		Period
			No of calls	Duration in Seconds	No of calls	Duration in Seconds	
1	Bijal Shah (99XXXX213)	Gopal Ritolia (996XXXX216)	3	568	0	0	August 10, 2020
2	Bijal Shah (996XXXX213)	Jatin Chawla (996XXXX065)	1	303	0	0	
3	Gopal Ritolia (996XXXX216)	Jatin Chawla (996XXXX065)	1	31	0	0	

44. Before proceeding further, it will be appropriate here to refer to the findings of Hon'ble Supreme Court of India in the matter of *SEBI vs Kishore R Ajmera* decided on February 23, 2016 wherein the Hon'ble Court held as follows:

"... 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."

45. In light of the aforesaid findings of Hon'ble Apex Court, I note that in matters of insider trading, direct substantive evidence will not always be present. In such situations the immediate and

proximate facts and circumstances surrounding the events on which the charges/allegations are founded have to be taken into consideration before arriving at a conclusion.

46. Hence, in view of the above discussion, findings of Hon'ble Apex Court and based on the cumulative effect of the factors mentioned below, on a preponderance of probability basis, I *prima facie* find that Noticees No. 2 and 3 were in possession of UPSI-1 and hence they are *prima facie* insiders in terms of regulation 2(1)(g)(ii) of PIT Regulations:

46.1. Noticee No. 1 has *prima facie* access and was in possession of UPSI-1.

46.2. Noticees No. 1 to 3 are connected with each other for more than 15 years.

46.3. The frequency of the call among the Noticees No. 1 to 3 increased in the month of August, 2020 compared to July, 2020.

46.4. Timing of the trades (discussed in subsequent paragraphs).

46.5. Pattern of trades in the scrip of ZEEL by the connected entities of Noticees No. 2 and 3 (discussed in subsequent paragraphs).

46.6. Trading history of the connected entities of Noticees No. 2 and 3 (discussed in subsequent paragraphs).

46.7. Commonality of trading pattern between connected entities of Noticees No. 2 and 3 in the scrip of ZEEL (discussed in subsequent paragraphs).

47. From the Figure-1, it is observed that Noticee No. 3 is not only connected with Noticee No. 4 but they also have financial transactions between them. During the period August, 2019 to February, 2021, Noticees No. 3 and 4 had financial transaction (indirectly) worth Rs. 2.32 crore (approximately). The same *prima facie* not only indicates a long association between them but also indicates the strength of their relationship. In light of the aforesaid and based on the cumulative effect of the factors mentioned below, on a preponderance of probability basis, I *prima facie* find that Noticee No. 4 was in possession of UPSI-1 and hence he is *prima facie* an insider in terms of regulation 2(1)(g)(ii) of PIT Regulations:

47.1. Noticee No. 3 was *prima facie* in possession of UPSI-1.

47.2. Noticees No. 3 and 4 are connected with each other for more than 2.5 years.

47.3. Timing of the trades (discussed in subsequent paragraphs).

47.4. Pattern of trades in the scrip of ZEEL by the connected entities of Noticee No. 4 (discussed in subsequent paragraphs).

47.5. Trading history of the connected entities of Noticee No. 4 (discussed in subsequent paragraphs).

47.6. Commonality of trading pattern between connected entities of Noticees No. 3 and 4 in the scrip of ZEEL (discussed in subsequent paragraphs).

48. From the Figure-1, it is observed that Noticees No. 4 and 5 are cousin brothers. Further, there have been regular calls between the brothers during the period August 3, 2020 to August 18, 2020 (till 3:30 pm on August 18, 2020). The details for the same is given below:

Table 10

Entity (A)	Entity (B)	A to B		B to A		Period
		No of calls	Duration in Seconds	No of calls	Duration in Seconds	
Amit Jajoo (702XXXX473/ (932XXXX015)	Manish Jajoo (937XXXX473)	22	3451	22	2458	Aug 3-Aug 9, 2020
		46	5094	41	8726	Aug 10- Aug 18 (till 3:30 pm)

It is observed from the above table that the frequency of call between Noticee Nos. 4 and 5 had increased from the period August 3, 2020 – August 9, 2020 to August 10 - August 18, 2020, till 3:30 pm. The later period corresponds with the period wherein the Noticees were building significant position in the scrip of ZEEL. The aforesaid when seen along with the cumulative effect of the factors mentioned below, on a preponderance of probability basis, *prima facie* shows that Noticee No. 5 was in possession of UPSI-1 and hence he is *prima facie* an insider in terms of regulation 2(1)(g)(ii) of PIT Regulations:

48.1. Noticee No. 4 was *prima facie* in possession of UPSI-1.

48.2. Noticees No. 4 and 5 are family members.

48.3. Timing of the trades (discussed in subsequent paragraphs).

48.4. Pattern of trades in the scrip of ZEEL by the connected entities of Noticee No. 5 (discussed in subsequent paragraphs).

48.5. Trading history of the connected entities of Noticee No. 5 (discussed in subsequent paragraphs).

48.6. Commonality of trading pattern between connected entities of Noticees No. 4 and 5 in the scrip of ZEEL (discussed in subsequent paragraphs).

UPSI - 2

49. UPSI-2 is information related to the launch of Zee Plex and the UPSI period for the same is August 20, 2020 to September 1, 2020. It is noted that UPSI-1 period and UPSI-2 period are separated by mere 2 days. Considering, *prima facie* that the facts and circumstances of UPSI 1 and 2 are similar except the nature of the information, I *prima facie* find on the basis of factors mentioned at paragraph 46 that Noticees No. 2 and 3 are also insiders in terms of regulation 2(1)(g)(ii) of PIT Regulations, for UPSI-2.

UPSIs 3 and 4

50. I note that only Noticee No. 2 / Noticee No. 6 has traded during UPSIs 3 and 4 periods which is related to the financial results of the company. I find that the cumulative effect of factors mentioned at paragraph 46 (except the increase in frequency of calls and commonality of trading pattern between connected entities), *prima facie* shows that Noticee No. 2 was in possession of UPSIs 3 and 4. Hence, Noticee No. 2 is *prima facie* an insider in terms of regulation 2(1)(g)(ii) of PIT Regulations, for UPSIs 3 and 4.

Issue No. 3: Whether Noticees No. 2 to 5, while in possession of and on the basis of UPSI, have executed trades in the scrip of ZEEL in the trading accounts of their connected entities?

UPSI - 1 (July 1, 2020 to August 18, 2020)

Noticee No. 2 and Noticee No. 6

51. Noticee No. 6, Ms. Gomati Devi Ritolia is the mother of Noticee No. 2, Mr. Gopal Ritolia. It is observed during the UPSI-1 Period that trades were executed from the trading account of Noticee No. 6 in the scrip of ZEEL, both in cash segment and F&O segment of the market. The trade details are as follows:

Table No. 11 (Cash Market)

Date	Particulars	Qty	Amount (Rs.)
11/8/2020	Buy	6,50,000	10,10,68,584.30

Table No. 12 (F&O)

Date	Particulars	ZEEL-Aug-20 Future		
		Qty	Rate (Rs.)	Amount (Rs.)
18/8/2020	Buy	6,00,000	166.76	10,00,55,850
26/8/2020	Sell	3,00,000	205.24	6,15,72,300
27/8/2020	Sell	3,00,000	210.48	6,31,44,150

52. Before proceeding further, it will be relevant to examine whether individual other than Noticee No. 6 had access to her trading account. In this regard, the following *prima facie* circumstances show that Noticee No. 2 had access to Noticee No. 6's trading account:

52.1. Noticee No. 2 is the son of Noticee No. 6. Thus, there exist family relationship between them. They share the same address.

52.2. Noticee No. 6's declared income as per the KYC with IIFL Securities Ltd. is Rs. 1-5 lakh. Her trades in the cash segment in the scrip of ZEEL in one day is around Rs. 10.10 crore while her overall trades in the month of July, 2020 and August, 2020 in all scrips is Rs. 87 crore and Rs. 82 crore respectively. Thus, *prima facie* there is a clear mismatch between her declared income and trades executed from her trading account.

52.3. The impugned trades were executed through the stock broker, Kotak Securities Ltd. As per her KYC with the aforesaid broker, the mobile no. given is 996XXXX216. The said number belongs to Noticee No. 2 as noted from his trading account maintained at IIFL Securities Ltd. Thus, the trade confirmation receipts from Exchanges were being received by Noticee No. 2.

52.4. Based on his qualification (Indian Institute of Management, Lucknow (PGDM Finance)) and work experience (Analyst at Brics Securities, Analyst at Macquaries Securities (Infrastructure and Capital Good Analyst), IIFL Analyst- (Infrastructure and Capital Good Analyst) and Director at UBS (Capital goods and Infrastructure research)), Noticee No. 2 is the expert in securities market in the family.

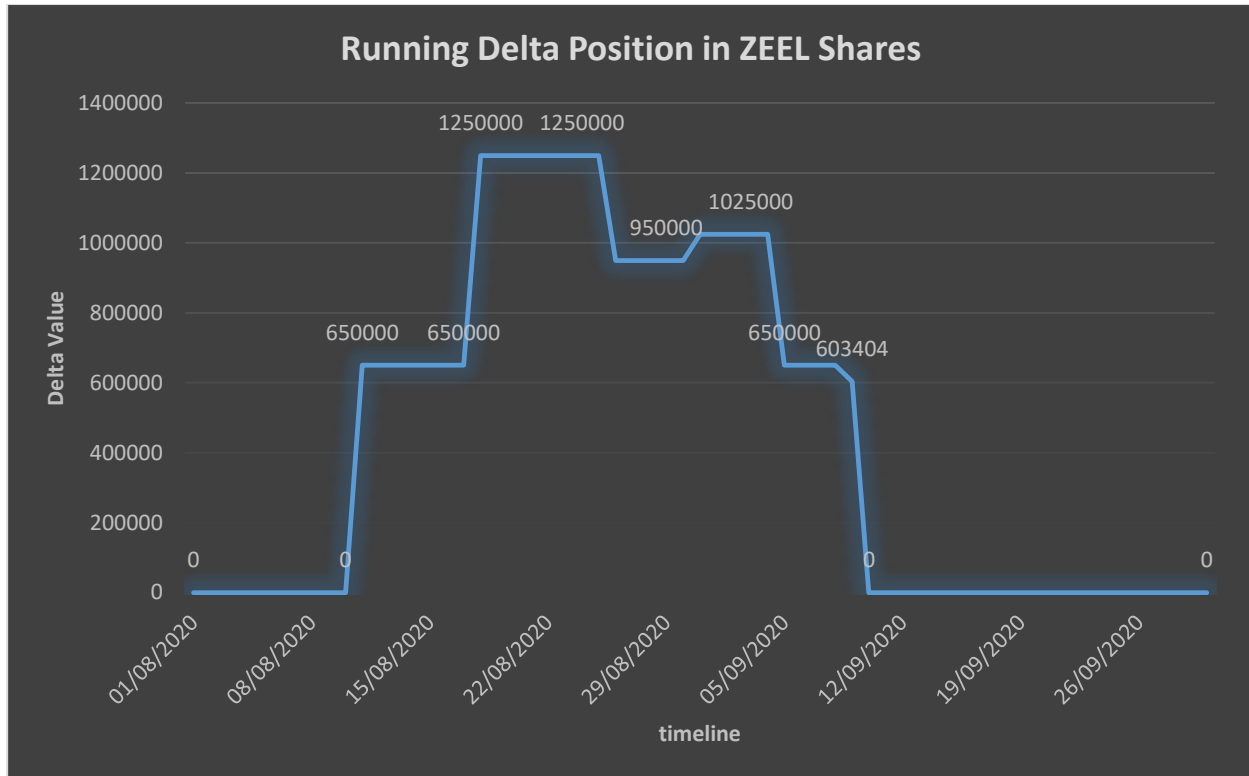
53. From the trading details (Table Nos. 11 & 12) of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL during UPSI – 1 period, I *prima facie* find the following:

53.1. Timing of the Trades – As noted in preceding paragraphs, Noticee No. 2 had a telephonic conversation with Noticee No. 1 on August 10, 2020. The same day ZEEL had informed Exchanges regarding Board meeting scheduled on August 18, 2020 to consider and approve the financial result. Noticee immediately from the next day had started building significant positions in the scrip of ZEEL, first in the cash segment and later in the derivative segment of the market.

53.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 12, that significant long positions 12,50,000 shares in the scrip of ZEEL were taken by buying 6,00,000 Futures contracts expiring in August 2020 at Rs 166.76/- and buying 6,50,000 shares in cash market at an average buy price of Rs. 155.49/-, just prior to the announcement on August 18, 2020. The aforesaid shows a delta of 12,50,000 in the scrip on August 18, 2020 through the

open positions signifying the strength of bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit / loss of Rs. 12,50,000/-. The trend of *Delta* position for the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL over time, was as under:

Figure No. 2



From the above figure, it is seen that the overall *Delta* position in the scrip of ZEEL started increasing from August 11, 2020 and reached a maximum at 12,50,000 on August 18, 2020 i.e., for every Re 1 increase in the price of ZEEL share, the Noticee would make a profit of Rs 12,50,000/- and if Noticee's directional view went wrong and the price decreased by Re 1, the Noticee would make a loss of Rs 12,50,000/-. Post announcement of financial results and announcement of UPSI- 2, Noticee No. 2 / Noticee No. 6 has drastically reduced the overall delta position in ZEEL on September 10, 2020, by offsetting the long positions in Futures contracts and / or selling shares in the cash segment of ZEEL. The open positions were squared off in the scrip at an average price of Rs. 207.86/-, subsequent to the announcement and they earned approximate proceeds of Rs. 2.47 crore.

Moreover, significant shares, 6,50,000 shares at Rs 155.49/- of the company were also bought in the cash segment prior to August 18, 2020 and were sold subsequently post September 1, 2020 (UPSI – 2 period) thereby earning significant proceeds.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 6 were placed in the correct direction as significant purchases were made in the cash segment and substantial long position were taken in the derivative segment in anticipation of positive results. The aforesaid trades / position (significant bullish position) would have been extremely risky, if the trades / positions were taken without clear anticipation of rise in the price of the scrip of ZEEL which was expected to happen subsequently to publication of financial results for the quarter ended June 30, 2020. It is also noted from the trades / position taken that there was a strong directional view that the price of the scrip would go up.

53.3. Trading History – The trade details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL vis-à-vis other scrips is given below:

Table No. 13

Month	Gr Trd Value in ZEEL in Rs.	Gr Trd Value in Other Scrip in Rs	Val % - Gr Trd Val in ZEEL / Other Scrip
March, 2020	0	14,41,61,370	0.00
April, 2020	0	84,89,26,639	0.00
May, 2020	1,56,655	81,89,04,612	0.02
June, 2020	66,07,290	1,64,09,81,966	0.40
July, 2020	0	87,19,00,202	0.00
August, 2020	40,45,37,184	41,61,75,363	49.29
September, 2020	23,03,04,056	36,64,62,182	38.59
October, 2020	12,80,51,250	93,15,27,852	12.09
November, 2020	2,54,99,850	91,19,47,566	2.72

From the above table, it is observed that prior to August, 2020, hardly any significant trades were executed from the trading account of Noticee No. 6 in the scrip of ZEEL compared to other scrips in terms of gross traded value. There is a substantial jump in the trades in the scrip of ZEEL from 0.40% in June, 2020 (which is the highest % during the period March – July, 2020) to 49.29% in August, 2020 which is UPSI – 1 period. Moreover, in August, 2020 almost 50% of trades in terms of gross traded value were in the scrip of ZEEL. The sudden interest shown in the scrip of ZEEL, started to wane post October, 2020 (Noticee No. 2 / Noticee No. 6 have traded in the scrip of ZEEL during September – October, 2020 which were UPSI 2 and 3 periods). Thus, it can be *prima facie* observed

that the sudden substantial interest shown in the scrip of ZEEL corresponded with Noticee No. 2 having *prima facie* possession of material non-public information in the scrip of ZEEL.

54. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 1, Noticee No. 1's close and long term association with Noticee No. 2, timing of the trades executed from the trading account of Noticee No. 6, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Noticee No. 6, I am of the *prima facie* view that Noticee No. 2 was in possession of UPSI – 1. Further, as Noticee No. 2 had *prima facie* access to the trading account of Noticee No. 6 coupled with the *prima facie* finding that Noticee No. 2 was in possession of UPSI - 1, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 2 has executed the impugned trades from the trading account of Noticee No. 6.

55. Furthermore, I *prima facie* find that Noticee No. 2, while in possession of and on the basis of UPSI, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

- 55.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 2.
- 55.2. Noticee No. 2 was in possession of UPSI.
- 55.3. Sudden buildup of position / delta by Noticee No. 2 in the scrip of ZEEL prior to the announcement of UPSI and subsequent closure of position / delta within few days after the announcement of financial results for quarter June 2020.
- 55.4. No substantial trading done by Noticee No. 2 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August, 2020.
- 55.5. Approximately 50% trading concentration in the scrip of ZEEL in terms of trade value vis-à-vis other scrips in the month of August, 2020.
- 55.6. Noticee No. 2 had an approximate delta of 12,50,000 in the scrip on August 18, 2020 through his open positions signifying the strength of his bullish view.

Noticee No. 3 and Noticee No. 7

56. Noticee No. 7, Ms. Daljit Chawla is the mother of Noticee No. 3, Mr. Jatin Chawla. It is observed during UPSI -1 Period that trades were executed from the trading account of Noticee No. 7 in the scrip of ZEEL in F&O segment of the market. The trade details are as follows:

Table No. 14

	Date	Particulars	ZEE Aug-20 150 Call			ZEE Aug-20 155 Call			ZEE Aug-20 160 Call			ZEE Aug-20 170 Call			ZEE Aug-20 175 Call			ZEE Aug-20 Fut			ZEE Sep-20 Fut			
			Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	
Pre-Announcement Trading	11-Aug-20	Buy	21000	13	270900	144000	9	1295100	51000	9	445350	-	-	-	-	-	-	111000	158	17484000	45000	156	7002900	
	14-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60000	163	9784350	-	-	-	
	17-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	30000	7	203250	-	-	-	-	-	-	
	18-Aug-20	Buy	9000	20	184050	-	-	-	-	-	-	30000	9	269550	54000	7	400800	-	-	-	-	-	-	
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)		30000	15	454950	144000	9	1295100	51000	9	445350	30000	9	269550	84000	7	604050	171000	159	27268350	45000	156	7002900	
	Delta as on Aug 18, 2020 (B)		0.878	-	-	0.822	-	-	0.755	-	-	0.596	-	-	0.512	-	-	1.000	-	-	1.000	-	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)		26334	-	-	118367	-	-	38493	-	-	17889	-	-	43027	-	-	171000	-	-	45000	-	-	-
Announcement dated August 18, 2020; 15:39:47 - Q1 FY 21 Financial Results																								
Post-Announcement Trading	19-Aug-20	Sell	-	-	-	-	-	-	(24000)	27.38	657000.	-	-	-	(3000)	9.40	28200.00	(21000)	178.64	3751500.00	(45000)	183.42	8253750.00	
	20-Aug-20	Sell	(30000)	53.49	1604700	-	-	-	-	-	-	(9000)	35.98	323850.00	(33000)	30.02	990750.00	-	-	-	-	-	-	
	21-Aug-20	Sell	-	-	-	(9000)	45.00	405000.00	-	-	-	(12000)	30.23	362700.00	(27000)	22.79	615300.00	-	-	-	-	-	-	
	24-Aug-20	Sell	-	-	-	(15000)	41.56	623400.00	(27000)	41.07	1108950	(9000)	31.50	283500.00	-	-	-	-	-	-	-	-	-	
	25-Aug-20	Sell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(108000)	201.51	21762600.00	-	-	-	
	26-Aug-20	Sell	-	-	-	-	-	-	-	-	-	-	-	-	(21000)	33.86	711150.00	-	-	-	-	-	-	
	27-Aug-20	Sell	-	-	-	(60000)	57.61	3456750.00	-	-	-	-	-	-	-	-	-	(42000)	211.30	8874785.29	-	-	-	
	27-Aug-20	Settlement (Sell)	-	-	-	(60000)	54.55	3273000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)		(30000)	53.49	1604700	(144000)	53.88	7758150.00	(51000)	34.63	1765950	(30000)	32.34	970050.00	(84000)	27.92	2345400	(171000)	-	-	3438885.29	(45000)	183.42	8253750.00
Proceeds Earned (E) = (D) - (A)		-	-	1149750	-	-	6463050	-	-	1320600	-	-	700500	-	-	1741350	-	-	7120535.29	-	-	1250850.00		

** The value of 42,000 shares sold on Aug 26, 2020 has been calculated on an average basis as follows:
 Sell Value (Rs) = Rs.2,15,53,050 * (42,000/ 102,000) = Rs.88,74,785.29

57. Before proceeding further, it will be relevant to examine whether any individual other than Noticee No. 7 had access to her trading account. In this regard, the following *prima facie* circumstances show that Noticee No. 3 had access to Noticee No. 7's trading account:

57.1. Noticee No. 3 is the son of Noticee No. 7. Thus, there exist family relationship between them.

57.2. As per the submissions made by Edelweiss Broking Pvt. Ltd., orders in the account of Noticee No. 7 were being executed by the dealer viz. Mohammad Habeeb Ansari. In this regard, Edelweiss Broking Pvt. Ltd., vide its email dated March 3, 2021 has informed that Mohammad Habeeb Ansari had received order placement instruction on his mobile no. 845XXXX118 from Noticee No. 7 (996XXXX065). Examination has also revealed that Mr. Ansari is having another mobile no. (961XXXX654). In this regard, it is pertinent to note that said mobile no. of "Noticee No. 7" i.e., 996XXXX065 is registered in the name of Noticee No. 3. On verification of CDRs of Noticee No. 3, it is observed that no such call was placed to 845XXXX118/961XXXX654 from 996XXXX065. Therefore, *prima facie* the information submitted by dealer of Edelweiss Broking Pvt. Ltd., is incorrect.

57.3. As per her KYC with Edelweiss Broking Pvt. Ltd, the mobile no. given is 996XXXX065. The said number belongs to Noticee No. 3. Thus, the trade confirmation receipts from Exchanges were being received by Noticee No. 3.

57.4. The email registered for the purpose of receiving contract notes is jatin.chawla@gmail.com which is same as the name of Noticee No. 3.

57.5. Based on his qualification (Indian Institute of Management, Lucknow (PGDM Finance)) and work experience (Associate at SBI Capital Markets Ltd., IIFL Analyst (Auto Analyst) and Credit Suisse (Autos and Media Equity Analyst)), Noticee No. 3 is the expert in securities market in the family.

58. From the trading details (Table No. 14) of the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL during UPSI – 1 period, I *prima facie* find the following:

58.1. Timing of the Trades – As noted in preceding paragraphs, Noticee No. 3 had a telephonic conversation with Noticee No. 1 on August 10, 2020. The same day ZEEL had informed Exchanges regarding Board meeting scheduled on August 18, 2020 to consider and approve the financial

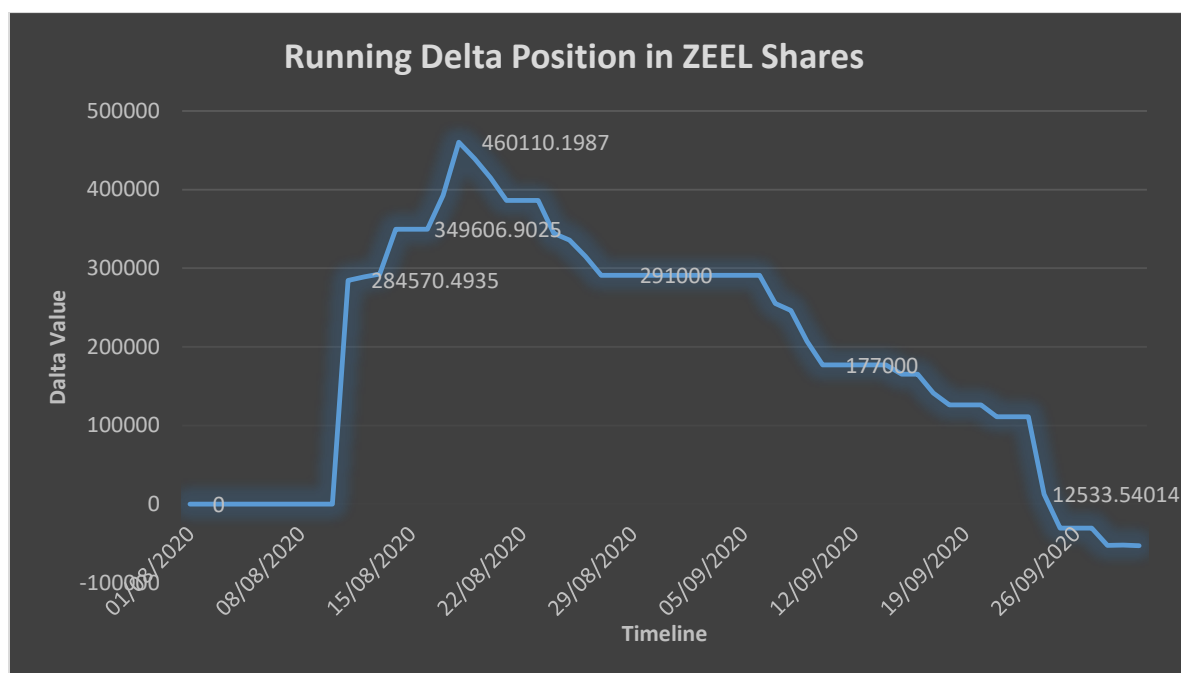
result. Noticee immediately from the next day had started building significant positions in the scrip of ZEEL in the derivative segment of the market.

58.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 14, that significant long positions in the scrip of ZEEL were taken by buying Futures and Options contracts expiring in August and September, 2020. Summary of the Delta of the open positions just prior to the announcement of UPSI-1 (viz. August 18, 2020) and the proceeds earned is given in the table below:

Table 15

Contracts	Position as on Aug 18, 2020	Delta of Positions as on Aug 18, 2020	Proceeds Earned (Rs)
ZEE Aug-20 150 Call	30,000	26,334	11,49,750
ZEE Aug-20 155 Call	1,44,000	1,18,367	64,63,050
ZEE Aug-20 160 Call	51,000	38,493	13,20,600
ZEE Aug-20 170 Call	30,000	17,889	7,00,500
ZEE Aug-20 175 Call	84,000	43,026	17,41,350
ZEE Aug-20 Fut	1,71,000	1,71,000	71,20,535
ZEE Sep-20 Fut	45,000	45,000	12,50,850
Total	5,55,000	4,60,110	1,97,46,635

The aforesaid shows a Delta of 4,60,110 in the scrip on August 18, 2020 through the open positions signifying the strength of bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit / loss of Rs. 4,60,110/. The trend of Delta position of the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL over time, was as under:



From the above figure, it is seen that the overall *Delta* position in the scrip of ZEEL started increasing from August 11, 2020 and reached a maximum at 4,60,110 on August 18, 2020 i.e., for every Re 1 increase in the price of ZEEL share, the Noticee would make a profit of Rs 4,60,110/- and if Noticee's directional view went wrong and the price decreased by Re 1, the Noticee would make a loss of Rs 4,60,110/-. Post announcement of financial results and announcement of UPSI- 2, Noticee No. 3 / Noticee No. 7 has drastically reduced the overall delta position in ZEEL on September 23, 2020, by offsetting the long positions in Futures contracts of ZEEL. Further, the open positions were squared off in the scrip at an average price of Rs. 207.86/-, subsequent to the announcement and it has earned an approximate proceeds of Rs. 1.97 crore.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 7 were placed in the "correct" direction as substantial long position were taken in the derivative segment. The aforesaid trades / position (significant bullish position) would have been extremely risky, if the positions were not taken in fairly certain anticipation of rise in the price of the scrip of ZEEL which was expected to happen subsequently to publication of financial result for the quarter ended June 30, 2020. It is also noted from the positions taken that there was strong directional view that the price of the scrip would go up.

58.3. Trading History – The trade details of the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL vis-à-vis other scrips is given below:

Table No. 16

Month	Gr Trd Value in ZEEL in Rs	Gr Trd Value in Other Scrip in Rs	Val % - Gr Trd Val in ZEEL / Other Scrip
March, 2020	1,07,100	15,17,18,826	0.07
April, 2020	0	16,77,91,092	0.00
May, 2020	26,05,080	26,88,27,338	0.96
June, 2020	2,79,15,645	14,90,69,448	15.77
July, 2020	2,24,24,250	11,04,44,403	16.88
August, 2020	16,89,92,100	14,15,23,758	54.42
September, 2020	11,07,52,950	7,96,19,302	58.18
October, 2020	2,36,61,300	27,61,88,307	7.89
November, 2020	8,54,83,800	29,68,16,419	22.36

From the above table, it is observed that prior to August, 2020, in the scrip of ZEEL, a small fraction of trades were executed from the trading account of Noticee No. 7 compared to other scrips in terms of gross traded value. There is a substantial jump in the trades in the scrip of ZEEL from 16.88% in July, 2020 to 54.42% in August, 2020 which is UPSI – 1 period. In August, 2020 more than 50% of trades in terms of gross traded value were in the scrip of ZEEL. The substantial interest shown in the scrip of ZEEL, waned post September, 2020 (September, 2020 was UPSI 2 period). Thus, it can be *prima facie* observed that the substantial interest shown in the scrip of ZEEL corresponded with Noticee No. 3 having *prima facie* possession of material non-public information in the scrip of ZEEL.

59. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 1, Noticee No. 1's close and long term association with Noticee No. 3, timing of the trades executed from the trading account of Noticee No. 7, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Noticee No. 7, I am of the *prima facie* view that Noticee No. 3 was in possession of UPSI – 1. Further, as Noticee No. 3 had *prima facie* access to the trading account of Noticee No. 7 coupled with the *prima facie* finding that Noticee No. 3 was in possession of UPSI - 1, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 3 has executed the impugned trades from the trading account of Noticee No. 7.

60. Furthermore, I *prima facie* find that Noticee No. 3, while in possession of and on the basis of UPSI, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

- 60.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 3.
- 60.2. Noticee No. 3 was in possession of UPSI.

60.3. Substantial buildup of position / delta by Noticee No. 3 in the scrip of ZEEL prior to the announcement of UPSI and subsequent closure of position / delta within few days after the announcement of financial results for quarter June 2020.

60.4. No substantial trading done by Noticee No. 3 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August, 2020.

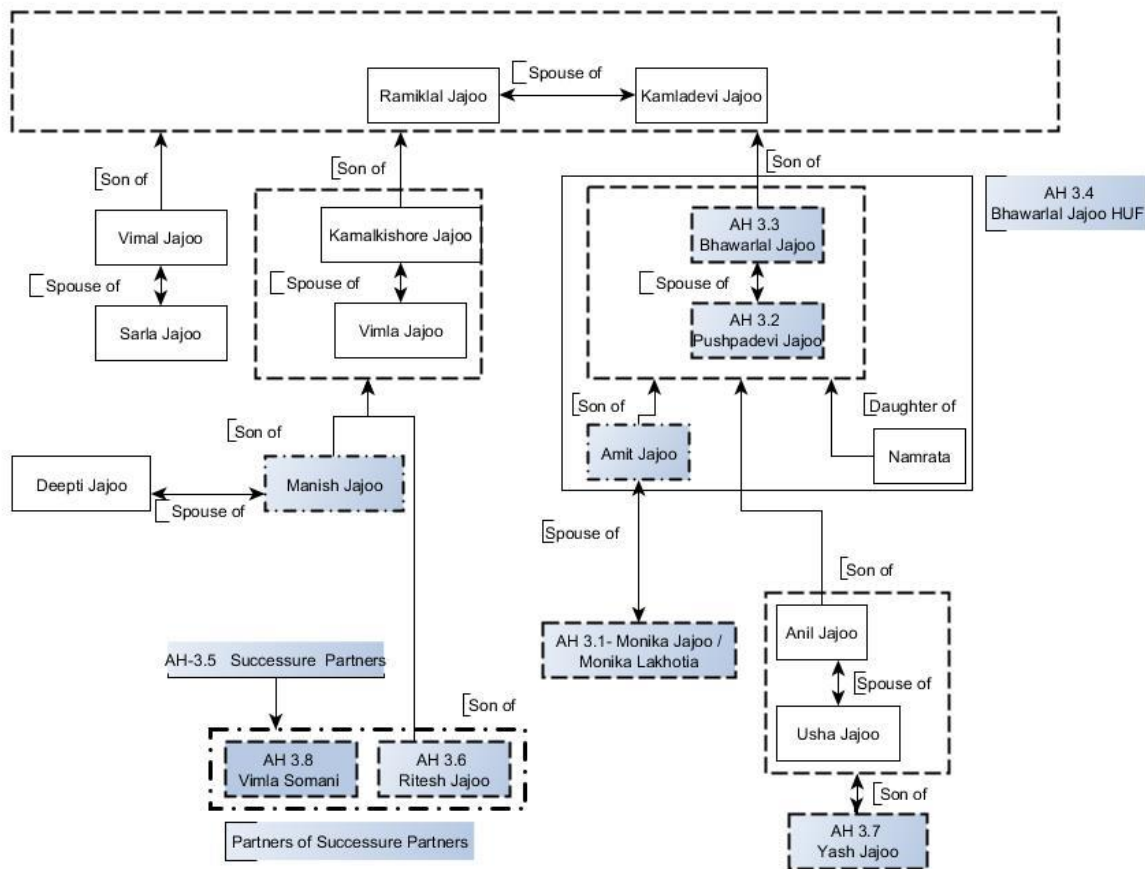
60.5. More than 50% trading concentration in the scrip of ZEEL in terms of trade value vis-à-vis other scrips in the month of August, 2020.

60.6. Noticee No. 3 had an approximate delta of 4,60,110 in the scrip on August 18, 2020 through its open positions signifying the strength of its bullish view.

Notices No. 4, 5, 8 to 14

61. It will be appropriate here to establish the connection among Notices No. 4, 5, 8 to 14. All the 9 Notices belong to Jajoo family. The family relationship of the Jajoo group Notices is explained in the figure below:

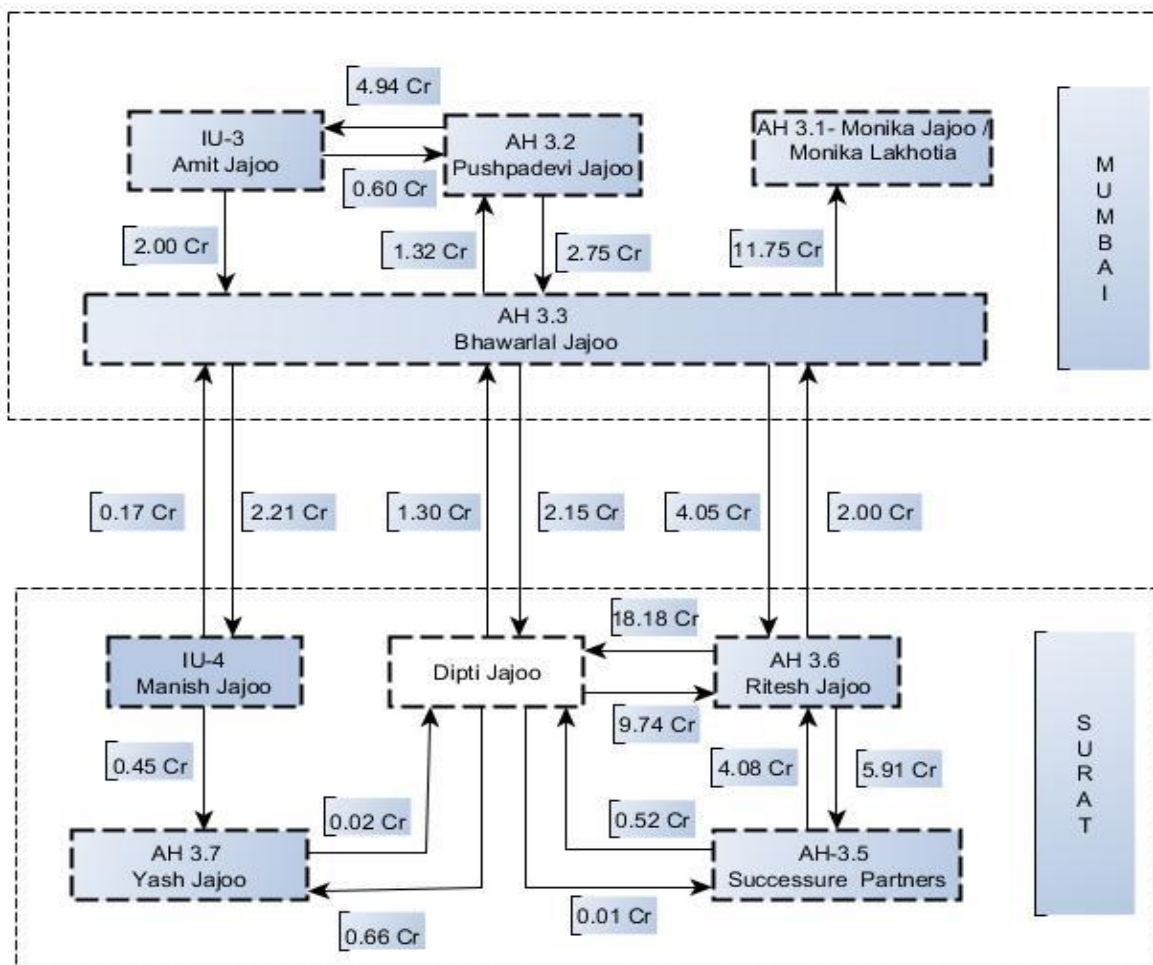
Figure - 4



*AH: Account Holder

62. It is observed that there exists a strong financial relationship among Jajoo family members. The financial relationship among Jajoo family members is depicted below for a sample period of 3 months (June 2020-August 2020):

Figure 5



*IU : Information User, **AH: Account Holder

63. From the aforesaid two figures, it is observed that within the Jajoo family group, there are two sub-groups, the first sub-group is based out of Mumbai and consists of Mr. Amit Jajoo (Noticee No. 4), his wife, Ms. Monika Jajoo / Monika Lakholia (Noticee No. 8), his mother, Ms. Pushpadevi Jajoo (Noticee No. 9), his father, Mr. Bhawarlal Jajoo (Noticee No. 10) and Bhawarlal Jajoo HUF (Noticee No. 11) and the second sub-group is based out of Surat and consists of Mr. Manish Jajoo (Noticee No. 5), his brother, Mr. Ritesh Jajoo (Noticee No. 12), partnership firm, Successure Partners (Noticee No. 13) (Mr. Manish Jajoo's brother, Mr. Ritesh Jajoo is one of the partners and the other partner is Ms. Vimla Somani) and his nephew, Mr. Yash Jajoo (Noticee No. 14).

64. During the Examination Period, it is noted that trades were executed from the trading accounts of Noticees No. 8 to 14. Thus, it will be relevant here to examine whether individuals other than Noticees No. 8 to 14 had access to those trading accounts. In this regard, the following *prima facie* circumstances show that Noticee No. 4 had access to the trading accounts of Noticees No. 8 to 11:

64.1. Noticee No. 4 is the spouse of Noticee No. 8 and is the son of Noticees No. 9 and 10. Thus, there exist family relationship among them.

64.2. As per KYC records, Noticee No. 4 mobile no. 932XXXX015 is linked with trading accounts of Noticees No. 8 to 11. Thus, the trade confirmation receipts from Exchanges were being received by Noticee No. 4.

64.3. The email registered for the purpose of receiving contract notes in the trading accounts of Noticees No. 9 to 11 is jajooamit@hotmail.com, which is same as the name of Noticee No. 4.

64.4. Based on his work experience, Noticee No. 4 (Authorised Person of Edelweiss Broking Pvt. Ltd.) is the expert in securities market in the family.

65. Further, the following *prima facie* circumstances show that Noticee No. 5 had access to the trading account of Noticees No. 12 to 14:

65.1. Noticees No. 5, 12 and 14 are family members while Noticee No. 5's brother i.e., Noticee No. 12 is one of the partners in Noticee No. 13.

65.2. As per information provided by Edelweiss Broking Pvt. Ltd., Noticees No. 5 is the dealer of Edelweiss Broking Pvt. Ltd. and is placing orders for Noticees No. 12 to 14.

65.3. On KYC analysis, it was observed that Noticees No. 5's mobile number (937XXXX473) is linked with trading account of Noticee No. 12.

65.4. It is observed from the KYC records (January, 2019) of Noticee No. 14 with Edelweiss Broking Pvt. Ltd., that Noticee No. 14 is a student. However, from the details of the trade executed from the trading account held in his name, shows that trades worth Rs 180 crore were executed in the month of July, 2020 and trades worth Rs 134 crore were executed in the month of August, 2020. He being a student with no independent source of income which can justify the aforesaid high magnitude trades, on a *prima facie* basis leads to an inference someone other than him was funding / managing his trading account.

65.5. Based on his work experience, Noticee No. 5 (Dealer at Edelweiss Broking Ltd.) is the expert in securities market in the family.

66. It is observed from the trade executed from the trading account of Noticee No 8 to 14 that significant Delta position was built up from August 11, 2020 onwards till August 18, 2020. The details for the same are provided below, while the individual trading details of Jajoo Group Noticees is provide at **Annexure B.1to B.7:**

Table 17

S. No	Name	Particulars	ZEEL Aug-20 Fut	ZEEL Aug-20 155 Call	ZEEL Aug-20 160 Call	ZEEL Aug-20 165 Call	ZEEL Aug-20 170 Call	ZEEL Aug-20 180 Call	ZEEL Aug-20 185 Call	ZEEL Aug-20 190 Call	ZEEL Aug-20 200 Call	ZEEL Aug-20 160 Put	Total	
1	Notictee No 8	Position as on Aug 18, 2020 (shares)	16,89,000	-	-	-	-	-	-	-	-	-21,000	17,10,000	
		Delta of positions as on Aug 18, 2020	16,89,000	-	-	-	-	-	-	-	-	-	5,148.88	16,94,148.88
		Proceeds Earned (Rs.)	5,22,25,950	-	-	-	-	-	-	-	-	-	1,50,750	5,23,76,700
2	Notictee No 9	Position as on Aug 18, 2020 (shares)	1,26,000	-	-	-	-	-	-	-	-	-	1,26,000	
		Delta of positions as on Aug 18, 2020	1,26,000	-	-	-	-	-	-	-	-	-	-	1,26,000
		Proceeds Earned (Rs.)	44,94,595.714	-	-	-	-	-	-	-	-	-	-	44,94,595.714
3	Notictee No 10	Position as on Aug 18, 2020 (shares)	9,000	90,000	90,000	-	10,14,000	-	-	-9,000	12,000	-21,000	12,27,000	
		Delta of positions as on Aug 18, 2020	9,000	73,979.65	67,928.95	-	6,04,651.82	-	-	-2,546.56	2,048.76	5,148.88	7,60,211.5	
		Proceeds Earned (Rs.)	4,03,800	13,05,450	15,52,800	-	3,01,63,650	-	-	-1,76,700	1,00,650	1,39,050	3,34,88,700	
4	Notictee No 11	Position as on Aug 18, 2020 (shares)	4,65,000	-	-	-	-	-	-	-	-	-	4,65,000	
		Delta of positions as on Aug 18, 2020	4,65,000	-	-	-	-	-	-	-	-	-	-	4,65,000
		Proceeds Earned (Rs.)	1,21,55,113.64	-	-	-	-	-	-	-	-	-	-	1,21,55,113.64
5	Notictee No 12	Position as on Aug 18, 2020 (shares)	1,65,000	-	-	-	-	1,02,000	-	-	-1,50,000	-45,000	1,62,000	
		Delta of positions as on Aug 18, 2020	1,65,000	-	-	-	-	43,854.38	-	-	-25,609.45	11,033.31	1,94,278.23	
		Proceeds Earned (Rs.)	71,83,950	-	-	-	-	26,76,300	-	-	-12,20,700	4,07,700	90,47,250	
6	Notictee No 13	Position as on Aug 18, 2020 (shares)	2,25,000	-	-	-	-	-	-	-	-	-	2,25,000	
		Delta of positions as on Aug 18, 2020	2,25,000	-	-	-	-	-	-	-	-	-	2,25,000	
		Proceeds Earned (Rs.)	58,54,736.36	-	-	-	-	-	-	-	-	-	-	58,54,736.36
7	Notictee No 14	Position as on Aug 18, 2020 (shares)	4,50,000	90,000	90,000	6,000	2,82,000	-	6,000	6,000	-	-	9,30,000	
		Delta of positions as on Aug 18, 2020	4,50,000.00	73,979.65	67,928.95	4,070.56	1,68,157.61	-	2,116.31	1,697.71	-	-	7,67,950.79	
		Proceeds Earned (Rs.)	1,26,36,553.85	12,95,250.00	30,29,700.00	75,150.00	76,47,429.10	-	85,350.00	7,200.00	-	-	2,47,76,632.95	
Total Proceeds (Rs.)												14,21,93,728.67		

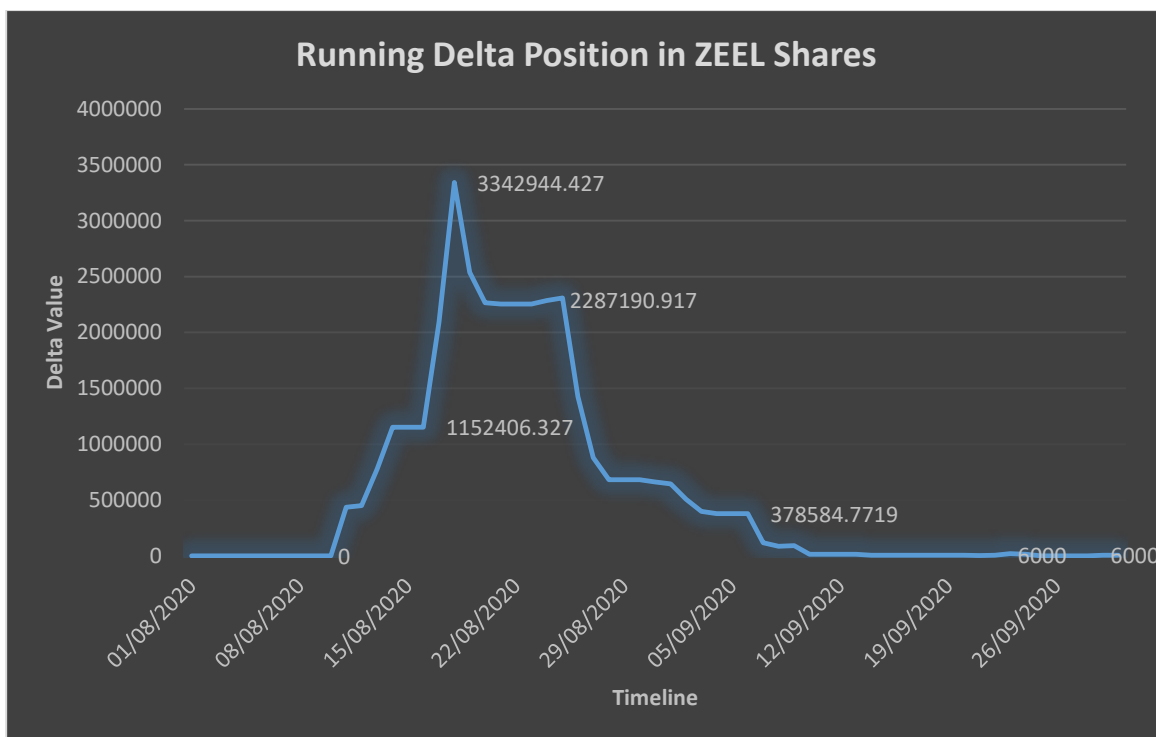
67. From the trading details of the trades executed from the trading accounts of Jajoo Group in the scrip of ZEEL during UPSI – 1 period, I *prima facie* find the following:

67.1. Timing of the Trades – Jajoo Group like the Noticees No. 2 and 3 had, immediately from the next day i.e., subsequent to August 10, 2020 when ZEEL had informed Exchanges regarding Board meeting scheduled on August 18, 2020 to consider and approve the financial result, started building significant positions in the scrip of ZEEL in the derivative segment of the market.

67.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table No. 17, that Jajoo Group Noticees had taken significant long positions in the scrip of ZEEL by buying futures and call options and selling put options prior to the announcement of the financial results on August 18, 2020. The Amit Jajoo Group Noticees had Delta in the range of 1,26,000 to 16,94,148.88 in the scrip on August 18, 2020 through its open positions signifying the strength of their bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit/ loss in the range of Rs. 1,26,000 to Rs. 16,94,148. Similarly, Manish Jajoo Group Noticees had Delta in the range of 1,94,278 to 4,65,00 in the scrip on August 18, 2020 through its open positions signifying the strength of their bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit/ loss in the range of Rs. 1,26,000 to Rs. 16,94,148.

The below mentioned figures show overall combined running *Delta* position of Jajoo Group Noticees based out of Mumbai and Surat:

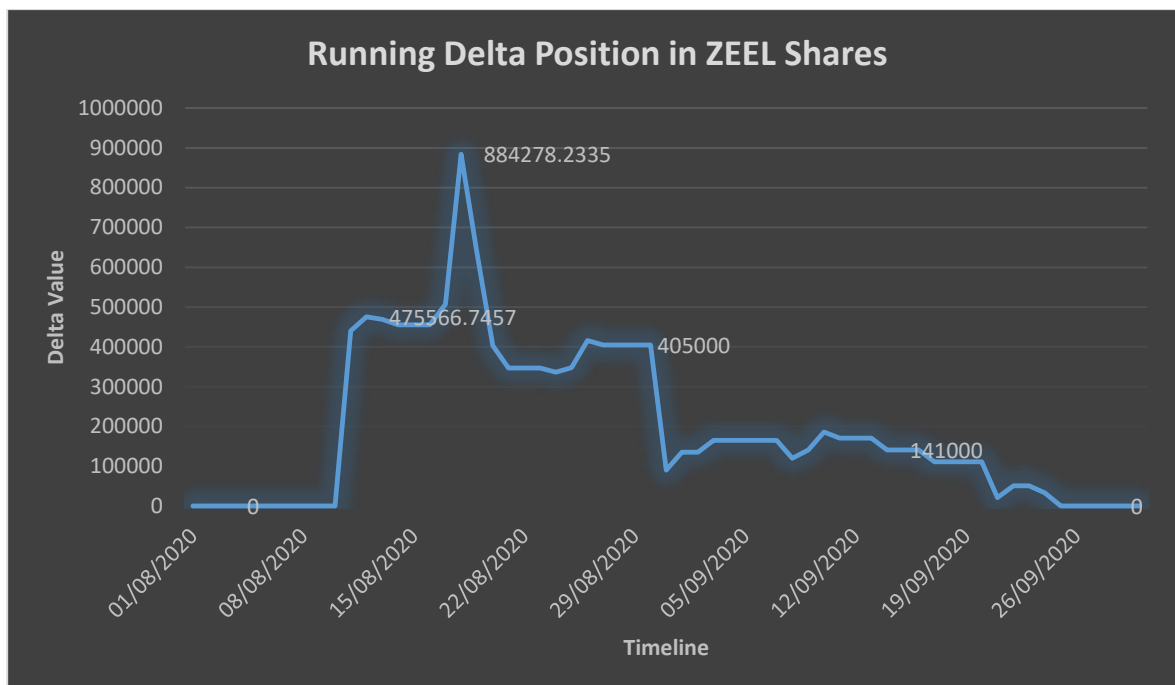
Figure 6 - Amit Jajoo (Mumbai based Group) combined



From the above figure, it is seen that the overall combined running *Delta* position in the scrip of ZEEL started increasing from August 11, 2020 and reached a maximum at 33,42,944 on August 18, 2020 i.e., for every Re 1 increase in the price of ZEEL share, the Noticee would make a profit of Rs 33,42,944/- and if Noticee's directional view went wrong and the price decreased by Re 1, the Noticee would make a loss of Rs 33,42,944/-. Post announcement of financial results, Amit Jajoo Group Noticees have drastically reduced the overall delta position in ZEEL on August 27, 2020, by offsetting the long positions in Futures contracts of ZEEL.

Similarly, the overall combined running *Delta* position of Manish Jajoo Group Noticees is as follows:

Figure 7 - Manish Jajoo (Surat based Group) combined



From the above figure, it is seen that the overall combined running *Delta* position in the scrip of ZEEL started increasing from August 11, 2020 and reached a maximum at 8,84,278 on August 18, 2020 i.e., for every Re 1 increase in the price of ZEEL share, the Noticee would make a profit of Rs 8,84,278/- and if Noticee's directional view went wrong and the price decreased by Re 1, the Noticee would make a loss of Rs 8,84,278/-. Post announcement of financial results, Manish Jajoo Group Noticees have drastically reduced the overall delta position in ZEEL on August 27, 2020, by offsetting the long positions in Futures contracts of ZEEL.

Further, the open positions were squared off subsequent to the announcement and have earned cumulative proceeds of Rs. 14.22 crore for the Jajoo Group of Noticees.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Jajoo Group Noticees were placed in the "correct" direction as substantial long position were taken in the derivative segment. The aforesaid trades / position (significant bullish position) would have been extremely risky, if the positions were not taken with significant confidence / anticipation of rise in the price of the scrip of ZEEL which was expected to happen subsequently to publication of financial results for the quarter ended June 30, 2020. It is also noted from the positions taken that there was strong directional view that the price of the scrip would go up. The selling of call options

(bearish) by Noticee No. 11 and Noticee No. 13 at strike price of Rs. 190 and Rs. 200 are *prima facie* not significant (i.e., 9,000 shares and 1,50,000 shares respectively) when seen in comparison to their overall outstanding position and net *Delta* (paragraph 6 may be referred to for *Delta* analysis). What is material is the overall net position taken by the Noticees which shows the directional view taken by the Noticees. In the instant matter the overall combined running *Delta* of the Amit Jajoo Group reached a maximum of 33,42,944 on August 18, 2020 and overall combined running *Delta* of Manish Jajoo Group was 8,84,278 on August 18, 2020. The same shows the confidence that the Noticees No. 4 and 5 had that the price of the share of ZEEL would go up.

67.3. Trading History – The trade details of the trades executed from the trading account of Jajoo Group Noticees in the scrip of ZEEL vis-à-vis other scrips is given below:

Table No. 18

Month	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 8	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 9	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 10	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 11	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 12	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 13	Val % - Gr Trd Val in ZEEL / Other Scrip-Noticee No. 14
March, 2020	0.00	0.00	0.08	0.06	0.00	0.00	0.00
April, 2020	0.00	0.00	0.00	0.87	-	-	0.00
May, 2020	0.03	0.36	0.00	0.47	-	0.22	0.00
June, 2020	2.03	4.62	10.52	1.84	0.00	1.61	5.91
July, 2020	0.59	22.20	2.18	1.70	0.00	1.61	2.79
August, 2020	19.11	10.38	14.63	6.65	4.24	11.97	14.87
September, 2020	7.53	3.50	1.59	0.00	0.68	2.33	2.29
October, 2020	2.52	0.00	0.92	0.00	0.00	1.23	1.80
November, 2020	0.00	0.00	0.32	0.00	0.00	0.15	0.00

68. From the above table, it is observed that prior to August, 2020, in the scrip of ZEEL, a small fraction of trades was executed from the trading account of Jajoo Group Noticees except Noticees No. 9 and 10 (during different months) compared to other scrips in terms of gross traded value. There is a substantial jump in the trades in the scrip of ZEEL from July, 2020 to August, 2020 which is UPSI – 1 period, except for Noticee No. 9. Moreover, in August, 2020 Jajoo Group Noticees gross traded value were in the scrip of ZEEL was Rs 195 crore. The substantial interest shown in the scrip of ZEEL, waned post August, 2020. Thus, it can be *prima facie* observed that the substantial interest

shown in the scrip of ZEEL corresponded with Noticees No. 4 and 5 having *prima facie* possession of material non-public information in the scrip of ZEEL.

69. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI - 1, Noticee No. 4's close and long term association with Noticee No. 3, timing of the trades executed from the trading account of Jajoo Group Noticees, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Jajoo Group Noticees, I am of the *prima facie* view that Noticees No. 4 and 5 were in possession of UPSI - 1. Further, as Noticee No. 4 had *prima facie* access to the trading account of Noticees No. 8 to 11 coupled with the *prima facie* finding that Noticee No. 4 was in possession of UPSI - 1, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 4 has executed the impugned trades from the trading account of Noticees No. 8 to 11. Similarly, as Noticee No. 5 had *prima facie* access to the trading account of Noticees No. 12 to 14 coupled with the *prima facie* finding that Noticee No. 5 was in possession of UPSI - 1, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 5 has executed the impugned trades from the trading accounts of Noticees No. 12 to 14.

70. Furthermore, I *prima facie* find that Noticees No. 4 and 5, while in possession of and on the basis of UPSI, had traded in the scrip of ZEEL, inter alia based on the following circumstances:

- 70.1. Noticee No. 4 has a close and long term relationship with Noticee No. 3 who in turn has a close and long term association with Noticee No. 1.
- 70.2. Noticees No. 4 and 5 were in possession of UPSI.
- 70.3. Substantial buildup of position / delta by Noticees No. 4 and 5 in the scrip of ZEEL prior to the announcement of UPSI and subsequent closure of position / delta within few days after the announcement of financial results for quarter June 2020.
- 70.4. No substantial trading done by Noticees No. 4 and 5 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August, 2020.
- 70.5. Trading concentration to the tune of Rs 195 crore in the scrip of ZEEL in terms of trade value vis-à-vis other scrips in the month of August, 2020.
- 70.6. Noticees No. 4 and 5 had overall running combined *Delta* position of 33,42,944 and 8,84,278 respectively in the scrip on August 18, 2020 through its open positions signifying the strength of their bullish view.

71. From the aforesaid discussions, I am of the *prima facie* view that not only the Noticees No. 2 to 5 are connected with each other but their trading pattern and trading history in the scrip of ZEEL is similar i.e., there has been significant jump in their trading activity from their previous trading activity in the scrip of ZEEL and the concentration of ZEEL in their portfolio in the month of August 2020 was dominant. Moreover, all the Noticees started increasing their exposure to ZEEL from August 11, 2020 onwards and have drastically reduced their positions in ZEEL subsequent to the announcement of UPSI – 1 and / or UPSI-2. Thus, I am of the *prima facie* view that aforesaid commonality in the trading pattern of Noticees No. 2 to 5 in the scrip of ZEEL, cannot be a coincidence but is by design wherein the Noticees No. 2 to 5 while in possession of UPSI- 1 and on its basis have traded in the scrip of ZEEL.

UPSI-2 (August 20, 2020 to September 1, 2020)

Noticee No. 2 and Noticee No. 6

72. It is observed during the UPSI- 2 period that trades were executed from the trading account of Noticee No. 6 in the scrip of ZEEL in F&O segment of the market. The relevant trade details are as follows:

Table No. 19

	Date	Particulars	ZEEL Sep-20 Fut		
			Qty	Rate (Rs.)	Amount (Rs.)
Pre-Announcement Trading	27-Aug-20	Buy	3,00,000	211.06	6,33,17,550
	31-Aug-20	Buy	75,000	205.05	1,53,78,750
	Net Position held as on Sep 1, 2020 (Pre-announcement) (A)		3,75,000	209.86	7,86,96,300
	Delta as on Sep 1, 2020 (B)		1.00	-	-
	Total Delta as on Sep 1, 2020 (Pre-Announcement) (C) = (A) * (B)		3,75,000	-	-
Announcement Dated 1-Sep-2020- ZEEL announced launch of Cinema 2 Home service 'Zee Plex' through press release.					
Post-Announcement Trading	7-Sep-20	Sell	(3,75,000)	224.20	8,40,74,250
	Net position post announcement (i.e., between Sep 2, 2020 and Sep 7, 2020) (D)		(3,75,000)	224.20	8,40,74,250
Net Proceeds Earned (E) = (D) - (A)					53,77,950

It is also observed that 6,50,000 shares which were bought in the cash segment of the market on August 11, 2020 from the trading account of Noticee No. 6 during UPSI- 1 period, were yet to be squared off.

73. From the trading details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL during UPSI – 2 period, I *prima facie* find the following:

73.1. Timing of the Trades – Significant long positions were taken in the scrip of ZEEL, just few days prior to the announcement of UPSI- 2 on September 1, 2020.

73.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 19, that significant long positions 3,75,000 shares in the scrip of ZEEL were taken by buying Futures contracts expiring in September 2020 at an average price of Rs 209.86/, just prior to the announcement on September 1, 2020. Further, 6,50,000 shares were bought in the cash segment of the market on August 11, 2020 which were yet to be squared off. The aforesaid shows a combined Delta of 10,25,000 in the scrip on September 1, 2020 through the open positions signifying the strength of bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit/ loss of Rs. 10,25,000/-. The trend of *Delta* position for the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL during UPSI -2 period, as noted from Figure – 2, shows that the overall *Delta* position in the scrip of ZEEL had started decreasing from 12,50,000 on August 25, 2020 to 9,50,000 on August 26, 2020 but there was an increase in *Delta* position from August 27, 2020 onwards and reached a maximum at 10,25,000 again on August 31, 2020. Post announcement the announcement of UPSI- 2, Noticee No. 2 / Noticee No. 6 has drastically reduced the overall delta position in ZEEL on September 10, 2020, by offsetting the long positions in Futures contracts of ZEEL. Further, the open positions in ZEEL Sep- 20 Futures were squared off in the scrip at Rs. 224.20/, subsequent to the announcement and it has earned an approximate proceeds of Rs. 53.78 lakh.

It is also observed from the trading details of the trades executed from the trading account of Noticee No. 6 that shares of ZEEL which were bought in the cash segment of the market during UPSI- 1 period were sold subsequent to UPSI- 2 announcement. The relevant trade details in the cash segment of the market during UPSI- 1 period are given in the table below:

Table No. 20

	Date	Particulars	Qty	Amount (Rs.)
Pre-Announcement Trading	11-Aug-20	Buy	6,50,000	10,10,68,584.3
	Net Position held on Aug 18, 2020 (Pre-Announcement) (A)		6,50,000	10,10,68,584.3
UPSI-1 Announcement dated August 19, 2020 - Q1 FY 21 Financial Results & UPSI-2: Announcement dated 1-Sep-2020- ZEEL announced launch of Cinema2 Home' service 'Zee Plex' through press release.				
Post-Announcement Trading	9-Sep-20	Sell	46,596	1,03,90,908
	10-Sep-20	Sell	6,03,404	13,58,38,898.1
	Net position post Sep 2, 2020 (Post Announcement) (B)		6,50,000	14,62,29,806.1
Net Proceeds Earned (C) = (B) - (A)				4,51,61,221.80

The above table shows that the significant number of shares (6,50,000 shares) of ZEEL which were bought from the trading account of Noticee No. 6 were squared off completely post the announcement of UPSI- 2, thereby generating proceeds worth Rs. 4.52 crore.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 6 were placed in the “correct” direction as substantial long position were taken in the derivative segment. The aforesaid position (significant bullish position) would have been extremely risky, if the positions were not taken with the significant confidence / anticipation of rise in the price of the scrip of ZEEL which was expected to happen subsequently to announcement of UPSI- 2. It is also noted from the trades / position taken that there was strong directional view that the price of the scrip would go up.

73.3. Trading History – It has been noted in the preceding paragraphs based on the trade details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL vis-à-vis other scrips at Table No. 13 that there has been significant jump in the trading activity in the scrip of ZEEL during UPSI- 2 period which has subsequently decreased from October, 2020 (September – October, 2020 were UPSI 2 & 3 periods). Thus, it can be *prima facie* observed that the substantial interest shown in the scrip of ZEEL corresponded with Noticee No. 2 having *prima facie* possession of material non-public information in the scrip of ZEEL.

74. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 2, Noticee No. 1's close and long term association with Noticee No. 2, timing of the trades executed from the trading account of Noticee No. 6, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Noticee No. 6, I am of the *prima facie* view that Noticee No. 2 was in possession of UPSI – 2. Further, as Noticee No. 2 had *prima facie* access to the trading account of Noticee No. 6 coupled with the *prima facie* finding that Noticee No. 2 was in possession of UPSI - 2, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 2 has executed the impugned trades from the trading account of Noticee No. 6. Here, I would like to *prima facie* observe that since Noticee No. 1 had the information related to launch of Zee Plex in the month of August, 2020 (the information had reached a greater degree of crystallisation in the month of August, 2020) which he had *prima facie* communicated to Noticee No. 2 and UPSI- 2 being a positive corporate announcement, Noticee No. 2 did not immediately squared off his cash market position in the scrip of ZEEL as holding the position was economically prudent.

75. Furthermore, I *prima facie* find that Noticee No. 2, while in possession of and on the basis of UPSI - 2, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

- 75.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 2.
- 75.2. Noticee No. 2 was in possession of UPSI.
- 75.3. Overall *Delta* position in the scrip of ZEEL which had started decreasing post UPSI- 1 announcement, had started increasing just prior to the announcement of UPSI- 2 and subsequent closure of position / delta within few days after the announcement of UPSI- 2. Further, Noticee also squared off his position in the cash market (6,50,000 shares) in the scrip of ZEEL.
- 75.4. No substantial trading done by Noticee No. 2 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August - September, 2020.
- 75.5. Approximately 40% trading concentration in the scrip of ZEEL in terms of trade value vis-à-vis other scrips in the month of September, 2020.
- 75.6. Noticee No. 2 had an approximate delta of 10,25,000 in the scrip on September 1, 2020 through its open positions signifying the strength of its bullish view.

Noticee No. 3 and Noticee No. 7

76. It is observed during the Examination Period (UPSI- 2 period: August 20, 2020 to September 1, 2020) that trades were executed from the trading account of Noticee No. 7 in the scrip of ZEEL in F&O segment of the market. The relevant trade details are as follows:

Table No. 21

	Date	Particulars	ZEEL Sep-20 Fut		
			Qty	Rate	Amount (Rs)
Pre-Announcement Trading	20-Aug-20	Buy	36,000	202.4	72,86,250
	21-Aug-20	Buy	18,000	196.1	35,29,950
	25-Aug-20	Buy	99,000	202.1	2,00,03,700
	27-Aug-20	Buy	1,38,000	212.4	2,93,12,850
	Net Position held as on Sep 1, 2020 (Pre-announcement) (A)		2,91,000	206.6	6,01,32,750
	Delta as on Sep 1, 2020 (B)		1.00	-	-
	Total Delta as on Sep 1, 2020 (Pre-Announcement) (C) = (A) * (B)		2,91,000	-	-
Announcement dated September 2, 2020 - ZEE unveils Cinema-To-Home service, ZEE Plex					
Post-Announcement Trading	7-Sep-20	Sell	(36,000)	223.3	80,38,800
	8-Sep-20	Sell	(9,000)	220.5	19,84,350
	9-Sep-20	Sell	(39,000)	220.1	85,82,700
	10-Sep-20	Sell	(30,000)	225.9	67,77,450
	15-Sep-20	Sell	(12,000)	219.5	26,34,300
	17-Sep-20	Sell	(24,000)	222	53,28,150
	18-Sep-20	Sell	(15,000)	225.3	33,79,500
	21-Sep-20	Sell	(15,000)	224.2	33,62,550
	23-Sep-20	Sell	(1,11,000)	191.7	2,12,76,000
	Net position post announcement (i.e., between Sep 2, 2020 and Sep 23, 2020) (D)		(2,91,000)	210.9	6,13,63,800
Net Proceeds Earned (E) = (D) - (A)					12,31,050

77. From the trading details of the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL during UPSI – 2 period, I *prima facie* find the following:

77.1. Timing of the Trades – Significant long positions were taken in the scrip of ZEEL steadily over a period of few days, just prior to the announcement of UPSI- 2 on September 1, 2020.

77.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 21, that significant long positions 2,91,000 shares in the scrip of ZEEL were taken by buying Futures contracts expiring in September 2020 at an average price of Rs. 206.60/, just prior to the announcement on September 1, 2020. The aforesaid shows an approximate Delta of 2,91,000 in the scrip on September 1, 2020 through the open positions signifying the strength of bullish view. *Prima facie* a Re. 1 increase/ decrease in the price of the underlying share would have caused an approximate profit/ loss of Rs. 2,91,000. The trend of *Delta* position for the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL during UPSI -2 period, as noted from Figure – 3, shows that the overall *Delta* position in the scrip of ZEEL had started decreasing after August 18, 2020 but there was not a significant decrease in overall *Delta* position as simultaneously trades were executed for both closing the long positions in ZEEL Aug-20 Futures and new long positions were taken in ZEEL Sept-20 Futures. Post the announcement of UPSI- 2, Noticee No. 3 / Noticee No. 7 has drastically reduced the overall delta position in ZEEL from September 7, 2020 onwards, by offsetting the long positions in ZEEL Sept-20 Futures. Further, the open positions in ZEEL Sept- 20 Futures were squared off in the scrip at an average price of Rs. 210.90/-, subsequent to the announcement and it has earned an approximate proceeds of Rs. 12.31 lakh.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 7 were placed in the “correct” direction as substantial long position were taken in the derivative segment. The aforesaid position (significant bullish position) would have been extremely risky, if the positions were not taken with significant confidence / anticipation of rise in the price of the scrip of ZEEL which was expected to happen subsequently to announcement of UPSI- 2. It is also noted from the trades / position taken that there was a strong directional view that the price of the scrip would go up.

77.3. Trading History – It has been noted in the preceding paragraphs based on the trade details of the trades executed from the trading account of Noticee No. 7 in the scrip of ZEEL vis-à-vis other scrips at Table No. 16 that there has been significant jump in the trading activity in the scrip of ZEEL during UPSI- 2 period which has subsequently decreased after September, 2020. Thus, it can be *prima facie* observed that the substantial interest shown in the scrip of ZEEL corresponded with

Noticee No. 3 having *prima facie* possession of material non-public information in the scrip of ZEEL.

78. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 2, Noticee No. 1's close and long term association with Noticee No. 3, timing of the trades executed from the trading account of Noticee No. 7, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Noticee No. 7, I am of the *prima facie* view that Noticee No. 3 was in possession of UPSI – 2. Further, as Noticee No. 3 had *prima facie* access to the trading account of Noticee No. 7 coupled with the *prima facie* finding that Noticee No. 3 was in possession of UPSI - 2, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 3 has executed the impugned trades from the trading account of Noticee No. 7.

79. Furthermore, I *prima facie* find that Noticee No. 3, while in possession of and on the basis of UPSI - 2, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

79.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 3.

79.2. Noticee No. 3 was in possession of UPSI.

79.3. Overall Delta position in the scrip of ZEEL which had started decreasing post UPSI- 1 announcement, did not fall drastically as simultaneously long positions which were closed in ZEEL Aug-20 Futures, new long positions were taken in ZEEL-Sept-20 Futures. Afterwards there was closure of position / delta within few days after the announcement of UPSI- 2.

79.4. No substantial trading done by Noticee No. 3 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August - September, 2020.

79.5. Approximately 58% trading concentration in the scrip of ZEEL in terms of trade value vis-à-vis other scrips in the month of September, 2020.

79.6. Noticee No. 3 had an approximate delta of 2,91,000 in the scrip on September 1, 2020 through its open positions signifying the strength of its bullish view.

UPSI- 3 (October 1, 2020 to November 2, 2020)

Noticee No. 2 and Noticee No. 6

80. It is observed during UPSI- 3 period that trades were executed from the trading account of Noticee No. 6 in the scrip of ZEEL in the F&O segment of the market. The relevant trade details are as follows:

Table No. 22

	Date	Particulars	ZEEL Nov-20 Fut		
			Qty	Rate (Rs)	Amount (Rs)
Pre-Announcement Trading	30-Oct-20	Sell	(1,35,000)	185.78	2,50,79,850
	Net Position held as on Nov 2, 2020 (Pre-announcement) (A)		(1,35,000)	185.78	2,50,79,850
	Delta as on Nov 2, 2020 (B)		1.00	-	-
	Total Delta as on Nov 2, 2020 (Pre-Announcement) (C) = (A) * (B)		(1,35,000)	-	-
Announcement dated November 2, 2020 - Q2 FY 21 Financial Results					
Post-Announcement Trading	3-Nov-20	Buy	1,35,000	185.70	2,50,69,500
	Net position post announcement (i.e., between Nov 2, 2020 and Nov 3, 2020)		1,35,000	185.70	2,50,69,500
Net Proceeds Earned (E) = (A) - (D)					10,350

81. From the trading details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL during UPSI – 3 period, I *prima facie* find the following:

81.1. Timing of the Trades – Significant short positions were taken in the scrip of ZEEL, just few days prior to the announcement of UPSI- 3 on November 2, 2020.

81.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 22 that significant short positions (1,35,000 shares) in the scrip of ZEEL by selling Futures contracts expiring in November 2020, prior to the announcement of the financial results for the quarter ended on September 2020 at Rs. 185.78/-. The aforesaid shows an approximate delta of -1,35,000 in the scrip on November 2, 2020 through its open positions signifying the strength of his bearish view. *Prima facie* a Re. 1 decrease in the price of the underlying share would have caused an approximate profit of Rs. 1,35,000/- and if the share price went up by Re. 1, he would have incurred a loss of Rs. 1,35,000/-. Further, the open positions in ZEEL Nov-20 Futures were squared off in the scrip at Rs. 185.70/-, subsequent to the announcement and it has earned an approximate proceeds of Rs. 10,350/-.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 6 were placed in the “correct” direction as a substantial short position were taken in

the derivative segment. The aforesaid position (significant bearish position) would have been extremely risky, if the positions were not taken in anticipation of fall in the price of the scrip of ZEEL. It is also noted from the position taken that there was a strong directional view that the price of the scrip of ZEEL would fall.

81.3. Trading History – It has been noted in the preceding paragraphs based on the trade details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL vis-à-vis other scrips at Table No. 13 that there has been significant jump in the trading activity in the scrip of ZEEL during UPSI- 1 to 3 periods which has subsequently decreased after October, 2020 i.e., after UPSI 3 period. Thus, it can be *prima facie* observed that the substantial interest shown in the scrip of ZEEL corresponded with Noticee No. 2 having *prima facie* possession of material non-public information in the scrip of ZEEL Further, it is also *prima facie* observed that there exists a repeated pattern in the trades executed from the trading account of Noticee No. 6. The said pattern is that of timing of the trades just prior to the corporate announcement to be made by ZEEL and substantial positions taken in the derivative segment of the market, which is *prima facie* in line with the corporate announcement. The aforesaid has happened on three consecutive occasions within a span of 3 months *prima facie* indicating that it is not a coincidence but is by design.

81.4. Commonality with trades executed in other UPSI periods – As noted in the preceding paragraphs based on the particulars of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL across the UPSI periods, there exists a *prima facie* repeated pattern in the trades vis-à-vis timing of the trades and positions taken in the derivative segment of the market which is *prima facie* in line with the corporate announcement. The same *prima facie* cannot be a coincidence.

82. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 3, Noticee No. 1's close and long term association with Noticee No. 2, timing of the trades executed from the trading account of Noticee No. 6, pattern of trades in the scrip of ZEEL and trading history of the of the trades executed from the trading account of Noticee No. 6 including the repeated pattern, I am of the *prima facie* view that Noticee No. 2 was in possession of UPSI – 3. Further, as Noticee No. 2 had *prima facie* access to the trading account of Noticee No. 6 coupled with the *prima facie* finding that Noticee No. 2 was in possession of UPSI - 3, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 2 has executed the impugned trades from the trading account of Noticee No. 6.

83. Furthermore, I *prima facie* find that Noticee No. 2, while in possession of and on the basis of UPSI - 3, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

- 83.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 2.
- 83.2. Noticee No. 2 was in possession of UPSI.
- 83.3. Short positions were taken in ZEEL Nov-20 Futures just prior to the announcement of UPSI - 3 and were immediately squared off post the announcement of UPSI- 3.
- 83.4. Commonality in particulars of trades executed across UPSI periods, with a repeated pattern.
- 83.5. No substantial trading done by Noticee No. 2 in the scrip of ZEEL compared to other scrips in terms of traded value prior to August - October, 2020.
- 83.6. Noticee No. 2 had an approximate Delta of -1,35,000 in the scrip on November 2, 2020 through its open positions signifying the strength of its bearish view.

UPSI- 4 (October 7, 2019 to October 17, 2019)

Noticee No. 2 and Noticee No. 6

84. It is observed during UPSI- 4 period that trades were executed from the trading account of Noticee No. 6 in the scrip of ZEEL in F&O segment of the market. The relevant trade details are as follows:

Table No. 23

	Date	Particulars	ZEEL Oct-19 Fut			
			Qty	Rate (Rs.)	Amount (Rs.)	
Pre-Announcement Trading	14-Oct-19	Sell	(13,000)	240	31,20,000	
	15-Oct-19	Sell	(58,500)	241.24	1,41,12,800	
	17-Oct-19	Sell	(71,500)	261.71	1,87,12,200	
	Net Position held as on Oct 17, 2019 (Pre-announcement) (A)			(1,43,000)	251.36	3,59,45,000
	Delta as on Oct 17, 2019 (B)			1.00	-	-
	Total Delta as on Oct 17, 2020 (Pre-Announcement) (C) = (A) * (B)			(1,43,000)	-	-
Announcement Dated 17-Oct-2019 - Q2 FY 20 Financial Results						
Post-Announcement Trading	18-Oct-19	Buy	1,43,000	251.29	3,59,34,015	
	Net position post announcement (i.e., on Oct 18, 2020) (D)			1,43,000	251.29	3,59,34,015

85. From the trading details of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL during UPSI – 4 period, I *prima facie* find the following:

85.1. Timing of the Trades – Significant short positions were taken in the scrip of ZEEL, just a few days prior to the announcement of UPSI- 4 on October 17, 2019.

85.2. Pattern of Trades in the scrip of ZEEL - It can be observed from the above Table 23 that significant short positions (1,43,000 shares) in the scrip of ZEEL by selling Futures contracts expiring in October 2019 prior to the announcement of the financial results for the quarter ended on September 2019 at an average price of Rs. 251.36/-. The aforesaid shows an approximate Delta of -1,43,000 in the scrip on October 17, 2019 through its open positions signifying the strength of its bearish view. *Prima facie* a Re. 1 decrease /increase in the price of the underlying would have caused an approximate profit/ loss of Rs. 1,43,000. Further, the open positions in ZEEL Oct-19 Futures were squared off in the scrip at Rs. 251.29/-, immediately on the next day of announcement which was made after market hours and it has earned an approximate proceeds of Rs. 10,985/-.

Thus, from the above it is *prima facie* noted that trades executed from the trading account of Noticee No. 6 were placed in the “correct” direction as substantial short position were taken in the derivative segment. The aforesaid position (significant bearish position) would have been extremely risky, if the positions were not taken in anticipation of fall in the price of the scrip of ZEEL. It is also noted from the position taken that there was a strong directional view that the price of the scrip of ZEEL would fall.

85.3. Commonality with trades executed in other UPSI periods – As noted in the preceding paragraphs based on the particulars of the trades executed from the trading account of Noticee No. 6 in the scrip of ZEEL across the 4 UPSI periods, there exists a *prima facie* repeated pattern in the trades vis-à-vis timing of the trades and positions taken in the derivative segment of the market which is *prima facie* in line with the corporate announcement. The same *prima facie* cannot be a coincidence.

86. In view of the above discussions and based on the cumulative effect of Noticee No. 1 being in possession of UPSI- 4, Noticee No. 1’s close and long term association with Noticee No. 2, timing of the trades executed from the trading account of Noticee No. 6, pattern of trades in the scrip of ZEEL and repetitive nature of trades, I am of the *prima facie* view that Noticee No. 2 was in possession of UPSI – 4. Further, as Noticee No. 2 had *prima facie* access to the trading account of Noticee No. 6

coupled with the *prima facie* finding that Noticee No. 2 was in possession of UPSI - 4, on a preponderance of probability basis, I am of the *prima facie* view that Noticee No. 2 has executed the impugned trades from the trading account of Noticee No. 6.

87. Furthermore, I *prima facie* find that Noticee No. 2, while in possession of and on the basis of UPSI - 4, had traded in the scrip of ZEEL, *inter alia* based on the following circumstances:

87.1. Noticee No. 1 who is an insider has a close and long term association with Noticee No. 2.

87.2. Noticee No. 2 was in possession of UPSI.

87.3. Short positions were taken in ZEEL Oct-19 Futures just prior to the announcement of UPSI - 4 and were immediately squared off post the announcement of UPSI- 4.

87.4. Commonality in particulars of trades executed across UPSI periods, with a repeated pattern.

87.5. Noticee No. 2 had an approximate Delta of -1,43,000 in the scrip on October 17, 2019 through its open positions signifying the strength of his bearish view.

Issue No. 4: *Based on the answer to issue nos. 2 and 3, whether there are the relevant provisions of SEBI Act and PIT Regulations that have been violated by the Noticees and who all are prima facie liable for the same?*

88. It is appropriate here to refer to the relevant provisions of SEBI Act and PIT Regulations which are as under:

SEBI Act:

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

Section: 12A. *No person shall directly or indirectly*

a) ...

...

d) engage in insider trading;

e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Contravention by companies.

27. (1) Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

...

Explanation: For the purposes of this section,—

*(a) “company” means any body corporate and includes a firm or other association of individuals; and
(b) “director”, in relation to a firm, means a partner in the firm.*

PIT Regulations:

Communication or procurement of unpublished price sensitive information.

Regulation 3 (1) *No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations*

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Trading when in possession of unpublished price sensitive information

Regulation 4(1) *No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information*

89. The aforesaid issue has two linked but separate parts to it:

89.1. The first, is determination of *prima facie* violation of provisions of SEBI Act and PIT Regulations and who all are *prima facie* liable for the same.

89.2. The second, is to determine the persons who are *prima facie* liable for the proceeds generated from the *prima facie* insider trading trades.

90. I now proceed to address the first issue. It has been held above that the impugned trades were *prima facie* executed from the trading accounts of Noticees No. 6 to 14 by Noticees No. 2 to 5. Thus, there are individuals other than registered owners of the trading accounts, who have *prima facie*, played an active role in executing *prima facie* insider trading trades from the trading accounts of Noticees No. 6 to 14. Based on the discussions in preceding paragraphs, it is observed that Noticees No. 2 to 5, in an attempt to maintain anonymity and to avoid regulatory detection, have used their connected entities trading accounts, to execute the *prima facie* insider trading trades. The broad *modus operandi* employed in the instant matter to *prima facie* engage in insider trading is as follows:

90.1. Noticee No. 1 is a senior key employee and a designated person of ZEEL. Once he becomes privy to the UPSI, he communicates the same to Noticees No. 2 and 3.

- 90.2. Noticee No. 3 upon receiving the UPSI, communicates it to Noticee No. 4 who in turn communicates it to Noticee No. 5.
- 90.3. Noticees No. 2 to 5 then use their connected entities trading accounts to place orders in the scrip of ZEEL.
- 90.4. Substantial orders in cash segment of the market and / or positions (long or short taken depending on the UPSI) are taken in the derivative segment of the market by Noticees No. 2 to 5 from their connected entities trading accounts. *Delta* in the scrip is built up significantly during the UPSI period and reaches maximum, just prior to the announcement of UPSI.
- 90.5. Post announcement of UPSI, the positions are squared off immediately or gradually over a few days.
91. In light of the above, it can be seen that Noticees No. 1 to 5 have pursuant to the aforesaid *modus operandi*, have *prima facie* engaged in insider trading in the scrip of ZEEL, from the beginning (access to UPSI) till squaring off positions. Further, as has been held in the preceding paragraphs, on the basis of connection among Noticees No. 1 to 5, timing of the trades, building up significant position / delta in the scrip of ZEEL, squaring off the position within few days of announcement, concentration in the scrip of ZEEL vis-à-vis other scrips during UPSI period and commonality of trading pattern among Noticees No. 2 to 5, on a preponderance of probability basis, the Noticees No. 2 to 5 had *prima facie* procured the UPSI in some form or manner directly from Noticee No. 1 (for Noticees No. 2 and 3) and / or Noticee No. 3 (for Noticee No. 4 who passed it on to Noticee No. 5) and thereby, *prima facie*, were in possession of the UPSI.
92. Thus, from the above I *prima facie* find that Noticees No. 2 and 3 have *prima facie* procured UPSI in some form or manner directly from Noticee No. 1, Noticee No. 4 has *prima facie* procured UPSI in some form or manner directly from Noticee No. 3 and Noticee No. 5 has *prima facie* procured UPSI in some form or manner directly from Noticee No. 4. Moreover, Noticees No. 2 to 5 have traded in the scrip of ZEEL while in possession of and on the basis of the UPSI. Hence, Noticees No. 2 to 5 have *prima facie* violated the provisions of Sections 12A (d) and (e) of SEBI Act and regulations 3(2) and 4(1) of PIT Regulations.
93. It is further alleged that Noticee No. 1 by communicating UPSIs to Noticees No. 2 and 3 which *prima facie* enabled them to engage in insider trading activities, has also *prima facie* engaged in insider trading activities. Therefore, it is *prima facie* alleged that Noticee No. 1 has violated Section 12 A (e) of SEBI Act and regulation 3 (1) of PIT Regulations. Similarly, Noticee No. 3 by communicating UPSI

to Noticee No. 4 and Noticee No. 4 by communicating UPSI to Noticee No. 5, have also *prima facie* violated Section 12 A (e) of SEBI Act and regulation 3 (1) of PIT Regulations.

94. As noted in preceding paragraphs, pursuant to a *modus operandi prima facie* insider trading activities were carried out in the scrip of ZEEL. Each Noticee has played his / her respective part in the said *modus operandi*. The part played by Noticees No. 1 to 5 in the *modus operandi* have been brought out above. Noticees No. 6 to 14 are the registered owners of the trading accounts which were used for executing the *prima facie* impugned trades. It is observed that Noticees No. 6 to 14 by giving *prima facie* access of their trading accounts to Noticees No. 2 to 5 have enabled the fruition of the *modus operandi*. In other words, the accrual of proceeds was predicated on them giving *prima facie* access to Noticees No. 2 to 5 of their trading account who by trading when in possession of and on the basis of UPSI, realised substantial proceeds. In the instant matter, shares / options in ZEEL were credited to the demat / trading account of Noticees No. 6 to 14 and proceeds have accrued in their account. It has been noted in preceding paragraphs that Noticees No. 6 to 14 have *prima facie* given access of their account to Noticees No. 2 to 5. The act of letting access to account and placing of orders by entity other than the registered owner of the account coupled with credit of shares / proceeds to the registered owner leads to a *prima facie* inference that Noticees No. 6 to 14 by their act and / or omission have indirectly authorised Noticees No. 2 to 5 to act on their behalf. It has been held that Noticees 2 to 5 have *prima facie* engaged in insider trading activities. Therefore, I *prima facie* hold that Noticees No. 6 to 14 have also indirectly engaged in insider trading activities and have *prima facie* violated Section 12A (d) of SEBI Act.

95. I, further note that one of the reasons to prevent misuse of insider information is that an insider should not benefit from information asymmetry. In this context it is relevant to note what taints the trading of the person is the mind of the person having possession of UPSI. There are instances where the trading is done by corporate entities while the natural persons mind with UPSI is attributed to the corporate entities. A corporation though is a separate legal entity distinct from its members, it acts through living persons and the persons who acts for the company are not acting as an agent or a servant but are acting as an alter ego as they are an embodiment of the company and their mind is the mind of the company. Since the corporation has no mind of its own any more than a body of its own; its active and directing will must consequently be sought in the person who is really the directing mind and will of the corporation. There are also instances where certain persons who are the directing mind uses the trading and bank accounts of others. In those cases, the directing mind

is having possession of the UPSI and trades using the accounts of others. In those cases, the account providers are at the same mind as that of directing mind as they have ceded control over the mind of their own to the directing mind. Therefore, the account provider also engages in insider trading by ceding control over his accounts. If it is not the case, persons can employ others accounts where the illegal benefits of the insider trading go and such individuals who have given access to their accounts to others (directing mind) would go scot-free with the illegal benefits of insider trading. Therefore, in the instant matter, the act of Noticees No. 6 to 14 to give *prima facie* access of their account to Noticees No. 2 to 5 and consequent accrual of proceeds to them due to *prima facie* insider trading of Noticees No. 2 to 5, have to be seen holistically as one act with the same mind executed by Noticees. Thus, it is *prima facie* held that Noticees No. 6 to 14 have indirectly dealt in securities while in possession of material non-public information and hence have *prima facie* violated Section 12A (e) of SEBI Act.

96. I note that Noticee No. 13 is a partnership firm. From the partnership deed dated August 4, 2018, it is noted that Ms. Vimla Somani (hereinafter referred to as “**Noticee No. 15**”) and Noticee No. 12 are its partners. Both the partners are working partners and share profit in the ratio of 80:20 (Noticee No. 15 : Noticee No. 12). From the KYC documents for opening of trading and demat account with Edelweiss Broking Ltd., it is observed that both the partners are jointly and severally authorised to operate the trading and demat account. It has been noted in preceding paragraph that Noticee No. 5 was *prima facie* executing orders from the trading account of the firm, Noticee No. 13 wherein his brother, Noticee No. 12 is one of the partners. However, as discussed in preceding paragraphs, the same *prima facie* does not absolve the partners of Noticee No. 13 from their *prima facie* act of giving access to the trading account of their firm (Noticee No. 13) to Noticee No. 5 which enabled Noticee No. 5 to *prima facie* engage in insider trading activities from the trading account of Noticee No. 13. As per Section 27 (1) of SEBI Act, for a contravention of law committed by the firm, apart from the firm, the partners of firm, who, at the time of contravention, were in charge of, and responsible to the firm for the conduct of the business of the firm are also liable to be proceeded against, for violation of securities laws. In this context, reference to the case law of Hon’ble High Court of Bombay, in *Amritlakshmi Machine Works and Ors. vs. The Commissioner of Customs (Import)*, dated January 29, 2016, is apt and important. In the said case, Hon’ble High Court of Mumbai referred to the order of Hon’ble Supreme Court of India in the matter of *M/s. Agrawal Trading Corporation and others Vs. The Asstt. Collector of Customs*, AIR 1972 SC 648 wherein the Apex Court had discussed

the basis of liability of the “firm” and the “partners” under Section 23-C of the FERA, 1947 which is in *pari materia* to Section 27 of the SEBI Act (Section 23-C of FERA, 1947, post repeal of the enactment finds its place as Section 68 of FERA, 1973). The Hon’ble High Court of Bombay, in *Amritlakshmi Machine Works* matter held as follows:

“...section 23-C of the FERA, 1947 thus creates a deeming fiction by which, where a person committing a contravention is a company, every person who, at the time the contravention was committed was in-charge and was responsible to the company as well as the Company shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly. The explanation to this section expanded the scope of the provision so as to bring within the ambit of the expression "company" a "firm" or an "association of individuals", and for the expression "director" a partner of the firm...”

*“...The Supreme Court, in repelling the contention firstly that the definition of 'person' under the General Clauses Act does not apply to a firm which is not a natural person which has no legal existence and secondly sub-clauses (3), (8) and (37) of Section 167 of the Sea Customs Act were not applicable to the appellant-firm, held that the 'Explanation' (supra) clearly provides that a company for the purpose of that Section is defined to mean any body corporate and includes a firm or other association of individuals and a Director in relation to a firm means a partner in the firm. In the context of the said provisions (supra) under the Sea Customs Act and the FERA 1949, which dealt with penalties, the Supreme Court observed that the High Court was right in holding that once it is found that there has been a contravention of any of the provisions of the Sea Customs act read with the Foreign Exchange Regulation Act by a firm, the partners of it who are in-charge of its business or are responsible for the conduct of the same, cannot escape liability, unless it is proved by them that the contravention took place without their knowledge or they exercised all due diligence to prevent such contravention. The explanation under Section 23-C of the FERA Act, 1947 was clearly applied to the penalty provision under the Sea Customs Act. In other words, the Supreme Court applied the deeming fiction under Section 23-C of the FERA, 1947 to the penalty provisions as contained under Section 167 of the Sea Customs Act in confirming **the penalty on the firm and its partners...**” (emphasis supplied).*

In the instant matter, both the partners of the firm were working partners and were authorised to operate the trading and demat account, jointly and severally. Thus, *prima facie* both the partners of the firm are liable for giving *prima facie* access of firm’s account to Noticee No. 5 and consequently

are *prima facie* liable for violation of Sections 12A (d) and 12A (e) of SEBI Act, as discussed in preceding paragraphs.

97. Further, in light of the aforesaid case law, I note that the Explanation to Section 27 of SEBI Act states that a “company” for the purposes of the said Section means any body corporate and include a firm or other association of individuals and a “Director” in relation to a firm means a partner in the firm. Thus, in the instant case Noticee No. 13 in its individual capacity is *prima facie* also liable for violation of Sections 12A (d) and 12A (e) of SEBI Act.

98. The issue which now merits discussion is, who amongst the aforesaid Noticees, would be *prima facie* liable for the proceeds generated by the *prima facie* insider trading activities in the scrip of ZEEL. From the above discussion, I note that Noticees No. 1 to 15, have *prima facie*, pursuant to their *modus operandi* have engaged directly / indirectly in insider trading activities in the scrip of ZEEL. Each Noticee had played its respective part in fruition of the *modus operandi*. Therefore, based on the available records, it is *prima facie* held that Noticees No. 1 to 15 who *prima facie* pursuant to their *modus operandi* have engaged in insider trading activities in the scrip of ZEEL are *prima facie* liable for the proceeds generated from the insider trading activities to the extent, as mentioned in the table below, jointly and severally:

Table No. 24

S. No	Trading Account / Registered Owner	Noticee liable for proceeds	UPSI-1 (in Rs.)	UPSI-2 (in Rs.)	UPSI-3 (in Rs.)	UPSI-4 (in Rs.)	Total (in Rs.)
1	Gomati Devi Ritolia	Gomati Devi Ritolia, Bijal Shah and Gopal Ritolia	6,98,21,821.8*	53,77,950	10,350	10,985	7,52,21,106
2	Daljit Gurucharan Chawla	Daljit Gurucharan Chawla, Bijal Shah and Jatin Chawla	1,97,46,635	12,31,050	-	-	2,09,77,685
3	Monika Lakhotia	Monika Lakhotia, Jatin Chawla and Amit Jajoo	5,23,76,700	-	-	-	5,23,76,700
4	Pushpa Jajoo	Pushpa Jajoo, Jatin Chawla and Amit Jajoo	44,94,595.71	-	-	-	44,94,595.71
5	Bhawarlal Ramniwas Jajoo	Bhawarlal Ramniwas Jajoo, Jatin Chawla and Amit Jajoo	2,47,76,632.95	-	-	-	2,47,76,632.95
6	Bhawarlal Jajoo HUF	Bhawarlal Ramniwas Jajoo	3,34,88,700	-	-	-	3,34,88,700

		HUF, Bhawarlal Ramniwas Jajoo (Karta), Jatin Chawla and Amit Jajoo					
7	Successure Partners	Successure Partners, Ritesh Kumar Kamalkishore Jajoo, Vimla Somani, Amit Jajoo and Manish Jajoo	1,21,55,113.64	-	-	-	1,21,55,113.64
8	Ritesh Kumar Kamalkishore Jajoo	Ritesh Kumar Kamalkishore Jajoo, Amit Jajoo and Manish Jajoo	90,47,250	-	-	-	90,47,250
9	Yash Anil Jajoo	Yash Anil Jajoo, Amit Jajoo and Manish Jajoo	58,54,736.36	-	-	-	58,54,736.36
Total (in Rs.)			23.84 crore				

*Includes proceeds made in cash segment for exposure taken for UPSI-1 on August 11, 2020 and squared off during UPSI-2 on September 9-10, 2020.

Issue No. 5: *On determination of the above issues, whether urgent directions, if any, should be issued in the present matter?*

99. As the regulator of the capital markets, SEBI has the duty to safeguard the interests of investors and protect the integrity of the securities market. PIT Regulations has been formulated with the main objective of preventing insider trading activity and to prohibit the communication of UPSI, procurement of UPSI and trading by insiders who can derive undue benefit out of their possession of UPSI compared with the rest of the market, owing to asymmetrical access to such information. Such trading affects the integrity of the market and affects investors who do not have such access to UPSI. Since the conduct of the aforementioned Noticees, do not, *prima facie*, appear to be in the interest of investors and the securities market, necessary action has to be taken against them immediately, else it may lead to loss of investors' trust in the securities market. The insider trading activity not only causes notional monetary loss to investors but also has the effect of interfering with the development of securities market, as investor tend to lose faith in the securities market. The same is detrimental to the development of the securities market and qualifies as an "irreparable injury". The objective of SEBI as enshrined in the SEBI Act is not only the protection of investors but also orderly development of securities market.

100. Further, as noted in the preceding paragraphs, based on the trading analysis of trades executed from the trading accounts of Noticees No. 6 and 7 that there is *prima facie*, a repetitive pattern of trading by Noticees No. 2 and 3. The parameters are as follows:

100.1. Significant trading activity / building of position / delta in the scrip of ZEEL just prior to the announcement of UPSIs 1 and 2.

100.2. Trading concentration in the shares of ZEEL vis-a-vis other scrips in terms of value increases drastically during the UPSI periods.

101. Further, there is *prima facie* commonality in the trading pattern of Noticees No. 2 to 5. The same *prima facie* shows that the Noticees No. 1 to 5 are acting in a concerted manner. It has been noted in the preceding paragraphs that Noticees No. 2 to 5 have *prima facie* used the trading account of their connected entities to execute trades in the scrips of ZEEL so as to hide their identity. As the matter is still under full examination, it appears, on preponderance of probability basis, that insider trading may have been carried out, related to other corporate announcements of ZEEL and / or other scrips, as well by using the trading accounts of the connected entities.

102. Considering the facts and circumstances of this case and violations as *prima facie* found in this case and *prima facie* repetitive and common trading pattern in the scrip of ZEEL by Noticees No. 2 to 5 during the period close to corporate announcements by ZEEL and the use of connected entities accounts to engage in *prima facie* insider trading activities, I am convinced that this is a fit case where, pending detailed examination, effective and expeditious preventive action is required to be taken by way of ad interim ex – parte order to protect the interests of investors and preserve the safety and integrity of the securities market. Such action needs to be taken to prevent any further harm to investors.

103. I note that for the reasons recorded herein below, immediate action is called for against the Noticees:

103.1. The directions are preventive in nature as Mr. Bijal Shah is in constant touch / communication with Mr. Gopal Ritolia and Mr. Jatin Chawla and continues to be employed with ZEEL and has access to ongoing UPSIs. Mr. Jatin Chawla is also in constant touch / communication with Mr. Amit Jajoo and Mr. Amit Jajoo is in constant touch / communication with Mr. Manish Jajoo. There is an impending danger to investors that in future the aforesaid Noticees might communicate / misutilise the UPSI pertaining to ZEEL. Further, Mr. Gopal Ritolia, Mr. Jatin Chawla, Mr. Amit Jajoo and Mr. Manish Jajoo have *prima facie* access to the trading accounts of

Noticees No. 6 to 15. Thus, there is an impending danger to investors that in future Noticees No. 2 to 5 might continue to trade in similar fashion, while in possession of and on the basis of UPSI.

103.2. There may be cases where a person, who has been *prima facie* found to have committed a violation, could commit the same or other violations. If detection prior to the violation is made, the principle of urgency would require immediately stopping the stage of violation. Urgency requires stopping of activities in time. Considering *prima facie* actions of the Noticees in the extant matter, there is a high probability that there is an imminent threat of further insider trading activity. So urgent preventive steps are required to be taken to prevent them from causing any further harm to the market / loss to investors. Thus, if the said Noticees are not prevented from dealing in securities then they would continue to access the market which *prima facie*, as discussed above, is not in the best interest of the general investors and the market. Therefore, there is impending threat and urgency that they should be prevented from further committing breach of securities laws in securities market.

103.3. The balance of convenience is to impose suitable directions against the aforesaid Noticees involved in the *prima facie* insider trading activity, so as to maintain a level playing field in the market for the general investors. Further if an ex-parte order is not passed, many investors may have to suffer, resulting into irreparable injury. However, if an ex-parte order is passed, what is at stake is the right of the current entities herein vis-a-vis multitude of investors in the market. It may be noted that one of the underlying differences between the ex-parte orders in the case of private suits and ex-parte public enforcement actions, is the identification of the injured party. In private damage suits, the injured individual, as "whole", is identifiable whereas ex-parte public enforcement action seeks to protect the floating multitude of investing public by preventing, continuous and imminent violations of the securities laws. Therefore, I consider the balance of convenience is also not in favour of the Noticees.

104. I also note that under Section 11(4)(d) of SEBI Act, proceeds of a transaction can be impounded pending investigation. Detailed investigation in the extant matter is pending. Further, as discussed in preceding paragraphs, there is ample *prima facie* evidence which demonstrates that Noticees No. 1 to 15 have been in violation of SEBI Act and PIT Regulations. This has not only *prima facie* violated the integrity of the market but also *prima facie* resulted in undue benefit to them over general investors. The discussion in the aforesaid paragraphs has shown that the *prima facie* insider trading activities of the entities has not only caused loss to the investors (notional monetary loss) but also

has a *prima facie* potential to cause irreparable injury to the securities market. Furthermore, as noted earlier, the balance of convenience dictates that immediate action has to be taken against the Noticees to prevent further harm to the investors and to the securities market. Moreover, the proceeds which have been generated are intrinsically linked to the *prima facie* violative activities of the Noticees. Hence, appropriate direction needs to be issued in this regard.

105. The extant interim order has found *prima facie* violation of securities laws against the Noticees. Therefore, they should be prevented from further committing breach of securities laws in securities market, whether directly or indirectly. Since there is *prima facie* violation of securities laws, the investors have to be insulated from the undesirable effects of further breach of securities laws by the Noticees. Further, the orderly development of the securities market demands faith of investors in the timely action to prevent imminent breach of securities laws. The investors who may become victim of infringement of securities laws tend to lose confidence in the securities market. Investor confidence is the bedrock of the orderly development of the securities market. Therefore, on this ground as well the balance of convenience is not in favour of the Noticees, which requires that the Noticees be not allowed to access securities market directly or indirectly.

Order

106. In view of the above, pending conclusion of investigation, in order to protect the interests of investors and the integrity of the securities market, I, in exercise of the powers conferred upon me under Sections 11, 11(4), 11B (1) and 11D read with Section 19 of the SEBI Act hereby issue by way of this interim ex-parte order, the following directions, which shall be in force until further orders:-

106.1. All the Noticees No. 1 to 15 are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

106.2. If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out / square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

106.3. The bank accounts of the Noticees mentioned in column no. 3 of table no. 24 to the extent of amount mentioned in column nos. 4 to 7 (wherever applicable) is hereby impounded. Further, the said Noticees are directed to open an escrow account with a nationalised bank, jointly and severally and deposit the impounded amount mentioned in table no. 24 which has been *prima*

facie found to be proceeds generated from the *prima facie* insider trading activity, in this order, within 15 days from the date of service of this order. The Noticees mentioned in column no. 3 of table no. 24 against each serial no. shall jointly and severally so deposit the proceeds mentioned against each serial no. The escrow account/s shall be an interest bearing escrow account and shall create a lien in favour of SEBI. Further, the monies kept therein shall not be released without permission from SEBI.

106.4. Noticees are directed not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, individually or jointly, including money lying in bank accounts except with the prior permission of SEBI until the impounded amount is deposited in the escrow account.

106.5. Noticees are directed to provide a full inventory of all assets held in their name, individually or jointly, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.

106.6. The banks where Noticees are holding bank accounts, jointly or severally, are directed to ensure that till further directions, except for compliance of direction at paragraph 106.3, no debits are made in the said bank accounts without the permission of SEBI. The banks are directed to ensure that all the above directions are strictly enforced. On production of proof of deposit of entire amount mentioned in column no. 8 of table no. 24 in respect of Noticees at serial no. 1 to 9, by any of the Noticees mentioned in column no. 3 corresponding to column no. 2 Noticees, in the escrow account, SEBI shall communicate to the banks to defreeze the accounts corresponding to all the Noticees mentioned in the column no. 3 of table no. 24 corresponding to column no. 2 Noticees. However, in case of Noticees in column no. 3 falling more than once in the said column, such Noticee's bank account shall remain frozen till the entire amounts mentioned in column no. 8 corresponding to his name is fully deposited.

106.7. The Depositories are directed to ensure, that till further directions, no credits are made in the demat accounts of any of the Noticees, held individually or jointly. The depositories are further directed to ensure that till further direction except for compliance of direction mentioned at paragraphs 106.2 and 106.3, no debits are made in the demat accounts of any of the Noticees, held individually or jointly.

- 106.8. The Registrar and Transfer Agents are also directed to ensure that till further directions, no credits are permitted and that except for compliance of direction at paragraphs 106.2 and 106.3 the securities / mutual funds units held in the name of all the Noticees, jointly or severally, are not transferred / redeemed.
107. The *prima facie* observations contained in this Order, are made on the basis of the material available on record. In this context, Noticees may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed on a specific request to be made in that regard.
108. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against Noticees in accordance with law
109. The above directions shall take effect immediately and shall be in force until further orders.
110. A copy of this order shall be served upon Noticees, Stock Exchanges, Banks, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.
111. A copy of this order shall also be served upon Zee Entertainment Enterprises Ltd., UBS India and Edelweiss Broking Ltd. for information and for examination vis-à-vis the Code of Conduct and employment terms. A copy of this order shall also be served upon The Institute of Chartered Accountants of India, for examination vis-à-vis their Rules and Regulations.

-sd-

Date: August 12, 2021

Place: Mumbai

MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

Relationship/Connection between the Noticees

Annexure A

S. No.	Name/PAN	Noticee Type	Basis of Connection
Persons communicated UPSI (Information Provider – IP)			
1	Bijal Shah (ASJPS7964A)	IP	i) Head - Financial Planning & Analysis, Strategy and Investor Relations at ZEEL (2016 – till date) ii) IIFL Analyst (2007-16) iii) Brics Securities, Analyst, (Jan 2005- Aug 2007)
Persons who used the UPSI- (Information User – IU)			
2	Gopal Ritolia (ACDPR2237H)	IU-1	i) Director at UBS, Jan 2015 – till Date ii) IIFL Analyst (Sept 2007 – Oct 2014) iii) Brics Securities, Analyst, 2005-07 iv) IIM Lucknow, MBA Finance (2003-2005) v) Common Mobile Number “9967580216” with S. No 6.
3	Jatin Chawla (ADWPC6578N)	IU-2	i) Director at First Voyager Advisors ii) Vice President, IIFL (Auto Analyst) (2006-2011) iii) IIM Lucknow, MBA Finance (2003-2005) iv) Common Mobile Number “9967589065” with S. No 7. v) Common Address “A 1103 Bolivian Alps Bhakti Park, Wadala East, 400037” with S. No 7.
4	Amit Bhanwarlal Jajoo (ACKPJ6937H)	IU-3	i) Director of Plutus Finresearch Pvt Ltd wherein S. No 10 is also a director. ii) Authorized Person of Edelweiss Broking Ltd iii) Common address “405 Satyanarayan Bhavan R G Thadani Marg Worli, Mumbai, Maharashtra, India, 400018” with 5,8,9,10 and 11. iv) Common email id: “ JAJOOAMIT@HOTMAIL.COM ” with S.no 5,8,9,10 and 11. v) Mobile number “9323894015” is registered in the name of Amit Jajoo. And the same number is linked to trading account of Sr No 5,8,9,10 and 11. vi) Common telephone Number “24939035” with S. No 5,9,10 & 11. vii) Family Relationship with S. No 5,8,9,10,13 &14.

S. No.	Name/PAN	Noticee Type	Basis of Connection
5	Manish Kumar Kamal Kishor Jajoo (ACJPJ2985J)	IU-4	<p>i) Common address "405 Satyanarayan Bhavan R G Thadani Marg Worli, Mumbai, Maharashtra, India, 400018" with 4,8,9,10 and 11.</p> <p>ii) Director at Successure Global Investment Pvt Ltd wherein S. No 10 is also a director.</p> <p>iii) Placed the order on behalf of S.No 12,13 & 14.</p> <p>iv) Common email id: "<u>JAJOOAMIT@HOTMAIL.COM</u>" with 4, 8,9,10 and 11.</p> <p>v) Common Mobile number "9323894015" with Sr No 4, 8,9,10 and 11.</p> <p>vi) Common telephone Number "24939035" with S. No 4,9,10 & 11.</p> <p>vii) Mobile number "9374712473" is registered number with S.No 5 and the same number is linked to trading accounts of S.No 10,13.</p> <p>viii) Common address "E 109 Surya Palace City, Light Road Nr Surya Darshan Ap., Surat, Gujarat, India, 395007" with S. No 13.</p> <p>ix) Family Relationship with S. No 4,8,9,10,13 &14.</p>
Trading accounts used for insider trading (Account Holder – AH)			
6	Gomati Devi Ritolia (ACGPR9008K)	AH-1	<p>i) Mother of Gopal Ritolia S.No 2</p> <p>ii) Common Mobile Number "9967580216" with S.No 2.</p>
7	Daljit Gurucharan Chawla (ABCPC8988J)	AH-2	<p>i) Mother of Jatin Chawla (Director at First Voyager Advisors) - S. No 3</p> <p>ii) As per Edelweiss KYC documents, entity was interviewed by Sr. No 4.</p> <p>iii) Common Mobile Number "9967589065" with S. No 3.</p> <p>iv) Common Address "A 1103 Bolivian Alps Bhakti Park, Wadala East, 400037" with S. No 3.</p>

S. No.	Name/PAN	Noticee Type	Basis of Connection
8	Monika Lakhotia (AATPL4205B)	AH-3.1	i) Common email ID jajooamit@hotmail.com with S.No 4,5. ii) Common Mobile number "9323894015" with Sr No 4,5. iii) Common address -"405-satyanarayan Bhavan, 7-1 Rg Thadani Marg Nr, Worli Sea Face, Mumbai, Maharashtra, India, 400018" with Sr no 4,5. iv) Family Relationship with S. No 4,5,13,14. v) Bhawarlal Jajoo is Karta of Bhawarlal Jajoo HUF and the said HUF have Pushpa Jajoo, Amit jajoo and Namrata Jajoo as family members. vi) S. No 10 is Director at Successure Global Investment Pvt Ltd wherein S. No 5 is also a director. vii) S. No 10 is Director of Plutus Finresearch Pvt Ltd wherein S. No 4 is also a director.
9	Pushpa Jajoo (ADGPJ8701N)	AH-3.2	
10	Bhawarlal Jajoo (AABPJ0947J)	AH-3.3	
11	Bhawarlal Jajoo HUF (AAAHB0043A)	AH-3.4	
12	Successure Partners (ADSF6666H)	AH-3.5	
13	Ritesh Kumar Kamal Kishore Jajoo (ACRPJ5219M)	AH-3.6	
14	Yash Anil Jajoo (BECPJ4821F)	AH-3.7	
15	Vimla Somani (ALBPS1701N)	AH-3.8	
			i) S.No 13 is Authorized Person of Edelweiss Broking Ltd and Partner of Successure Partners. ii) For S. No 12,13 and 14 the orders for trades were placed by S.No 5 iii) S. No 13 & 14 have common email id " BANSI MJ@HOTMAIL.COM ". iv) Family relationship of S. No 13 & 14 with S. No 4, 5,8,9,10. v) S.No 15 is Partner of S.No 12

S.No	Name	Education & Work Experience	Designation	Period	
				From	To
1	Bijal Shah	Education			
		Mumbai University Bachelors of Commerce	-	1996	2001
		Chartered Accountant (ICAI)	-	1999	2002
		Work Experience			
		B & K Securities Ltd	Research Analyst	2004	2005
	Brics Securities	Research Analyst	2005	2007	

		IIFL Analyst- Media and Auto Sectors	Vice President Equity Research	2007	2016
		Zee Entertainment Enterprise Ltd	Head- Financial Planning & analysis, Strategy and Investor Relations	2016	Till Date
2	Gopal Ritolia	Education			
		Indian Institute of Technology Kanpur (B.Tech)	-	1993	1997
		Indian Institute of Management, Lucknow (PGDM Finance)	-	2003	2005
		Work Experience			
		Brics Securities	Analyst	2005	2006
		Macquaries Securities (Infrastructure and Capital Good Analyst)	Analyst	2006	2007
		IIFL Analyst- (Infrastructure and Capital Good Analyst)	Analyst	2007	2014
		UBS(Capital goods and Infrastructure research)	Director	2015	till Date
3	Jatin Chawla	Education			
		Nirma Institute of Technology (B. E)	-	1998	2002
		Indian Institute of Management, Lucknow (PGDM Finance)	-	2003	2005
		Work Experience			
		SBI Capital Markets Ltd	Associate	2005	2006
		IIFL Analyst (Auto Analyst)	Vice President	2006	2011
		Credit Suisse (Autos and Media Equity Analyst)	Vice President	2011	2014
			Director	2015	2019
First Voyager Advisors Private Ltd	Director	2019	Till Date		

Financial transactions between Noticee No. 1's mother and Noticee No. 3

Entity (A)	Entity (B)	Date of Transaction/ Transfer	A to B	B to A
			Amount (in Rs.)	Amount (in Rs.)
Jatin Chawla Kotak Mahindra Bank (A/c No: 1411631166)	*Anjana Jitendra Shah	25/03/2020	5,00,000.00	-
		26/03/2020	5,00,000.00	-
		07/05/2020	-	50,000.00
		13/05/2020	-	4,50,000.00

Entity (A)	Entity (B)	Date of Transaction/ Transfer	A to B	B to A
			Amount (in Rs.)	Amount (in Rs.)
	Kotak Mahindra Bank (A/c No :3911298542)			
Total			10,00,000	5,00,000

* Mother of Bijal Shah

Financial transactions between Noticee No. 3 and Noticee No. 4

Entity (A)	Entity (B)	Date of Transaction / Transfer	A to B	B to A
			Amount(in Rs.)	Amount(in Rs.)
Bhawarlal Ramniwas Jajoo	Kotak Mahindra Bank (A/c No:3511949 875)	23/03/2020	50,000.00	-
		24/03/2020	34,50,000.00	-
		29/06/2020	61,38,000.00	-
		30/06/2020	-	5,00,000.00
		02/07/2020	-	5,00,000.00
		03/07/2020	-	5,00,000.00
		06/07/2020	-	5,00,000.00
		06/07/2020	-	5,00,000.00
		07/07/2020	-	5,00,000.00
		07/07/2020	-	5,00,000.00
		08/07/2020	-	5,00,000.00
		08/07/2020	-	5,00,000.00
		09/07/2020	-	5,00,000.00
		09/07/2020	-	1,40,000.00
Amit Jajoo HUF	Daljit Chawla	15/07/2020	-	5,00,000.00
		15/07/2020	-	5,00,000.00
		16/08/2019	-	5,00,000.00
		20/08/2019	-	5,00,000.00
		21/08/2019	-	5,00,000.00
		23/08/2019	-	5,00,000.00
		04/02/2021	-	5,00,000.00
		04/02/2021	-	5,00,000.00
		05/02/2021	-	5,00,000.00
		05/02/2021	-	5,00,000.00
HDFC (A/c No: 0080100008 1464)	Kotak Mahindra Bank (A/c No:78121 42072)	07/02/2021	-	5,00,000.00
		07/02/2021	-	5,00,000.00
		08/02/2021	-	5,00,000.00
		08/02/2021	-	5,00,000.00
		09/02/2021	-	5,00,000.00

Entity (A)	Entity (B)	Date of Transaction / Transfer	A to B	B to A
			Amount(in Rs.)	Amount(in Rs.)
		09/02/2021	-	5,00,000.00
		10/02/2021	-	5,00,000.00
Total			96,38,000	1,36,40,000

CDRs between Noticee No. 3 and Noticee No. 4

Entity (A)	Entity (B)	A to B		B to A	
		No of calls	Duration in Seconds	No of calls	Duration in Seconds
Amit Jajoo (7021153473/ 9323894015)	Jatin Chawla (9967589065/ 9820090538)	8	1042	8	342

	Date	Particulars	ZEEL Aug-20 Fut			ZEEL Aug-20 160 Put		
			Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)
Pre-Announcement Trading	11-Aug-20	Buy	180000	156.78	28220550.00	-	-	-
	12-Aug-20	Sell	-	-	-	(21000)	7.83	164400.00
	13-Aug-20	Buy	309000	162.91	50337900.00	-	-	-
	14-Aug-20	Buy	288000	164.82	47469450.00	-	-	-
	17-Aug-20	Buy	363000	169.47	61518600.00	-	-	-
	18-Aug-20	Buy	549000	169.92	93286950.00	-	-	-
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)		1689000	166.27	280833450.00	(21000)	7.83	164400.00
	Delta as on Aug 18, 2020 (B)		1.00	-	-	-0.25	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)		1689000	-	-	5148.88	-	-
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results								
Post-Announcement Trading	19-Aug-20	Sell	(729000)	189.54	138174900.00	-	-	-
	21-Aug-20	Buy	-	-	-	21000	0.65	13650.00
	25-Aug-20	Sell	(732000)	201.43	147447450.00	-	-	-
	26-Aug-20	Sell	(144000)	207.08	29820150.00	-	-	-
	27-Aug-20	Sell	(6000)	212.00	1272000.00	-	-	-
	27-Aug-20	Sell - Settlement	(78000)	209.55	16344900.00	-	-	-
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)		(1689000)	197.19	333059400.00	21000	0.65	13650.00
Net Proceeds (E) = (D) - (A)		-	-	52225950.00	-	-	150750.00	

Trades of Pushpadevi Jajoo (Noticee No 9)
Annexure B.2

	Date	Particulars	ZEEL Aug-20 Fut		
			Qty	Rate (Rs)	Amount (Rs)
Pre-Announcement Trading	11-Aug-20	Buy	36000	156.52	5634750.00
	12-Aug-20	Sell	(6000)	162	(969600)
	18-Aug-20	Buy	96000	169.63	16284754.83*
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)		126000	166.27	20949904.29
	Delta as on Aug 18, 2020 (B)		1.00	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)		126000	-	-
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results					
Post-Announcement Trading	19-Aug-20	Sell	(21000)	195.09	4096950.00
	25-Aug-20	Sell	(63000)	199.15	12546450.00
	27-Aug-20	Sell - Settlement	(42000)	209.55	8801100
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)		(126000)	201.94	25444500.00
Net Proceeds (E) = (D) - (A)			-	-	4494595.71

* Net Buy Value (Rs.) = Rs.17811450 * (96000 shares/105000 shares) = Rs.16284754.28

	Date	Particulars	ZEEL Aug-20 155 Call			ZEEL Aug-20 160 Call			ZEEL Aug-20 165 Call			ZEEL Aug-20 170 Call			ZEEL Aug-20 185 Call			ZEEL Aug-20 190 Call			ZEEL Aug-20 Fut			
			Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	
Pre-Announcement Trading	11-Aug-20	Buy	90000	11.01	990750.00	90000	8.31	748050.00	-	-	-	-	-	-	-	-	-	-	-	15000	159.26	2388900.00		
	14-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90000	161.75	14557650.00		
	17-Aug-20	Buy	-	-	-	-	-	-	6000	12.50	75000.00	99000	9.85	975300.00	-	-	-	-	-	204000	170.85	34852950.00		
	18-Aug-20	Buy	-	-	-	-	-	-	-	-	-	183000	8.19	1499370.90*	6000	7.50	45000.00	6000	6.00	36000.00	141000	167.97	23684746.16***	
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)			90000	11.01	990750.00	90000	8.31	748050.00	6000	12.50	75000.00	282000	8.78	2474670.90	6000	7.50	45000.00	6000	6.00	36000.00	450000	167.74	75484246.15
	Delta as on Aug 18, 2020 (B)			0.822	-	-	0.755	-	-	0.678	-	-	0.596	-	-	0.353	-	-	0.283	-	-	-	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)			73979.65	-	-	67928.95	-	-	4070.56	-	-	168157.61	-	-	2116.31	-	-	1697.71	-	-	-	-	-
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results																								
Post-Announcement Trading	19-Aug-20	Sell	(90000)	25.40	2286000.00	-	-	-	(6000)	25.03	150150.00	-	-	-	-	-	-	-	-	(219000)	179.45	39299400.00		
	20-Aug-20	Sell	-	-	-	(45000)	43.42	1953750.00	-	-	-	(9000)	34.30	308700.00	(3000)	24.55	73650.00	-	-	-	(9000)	200.65	1805850****	
	21-Aug-20	Sell	-	-	-	(15000)	41.00	615000.00	-	-	-	-	-	-	(3000)	18.90	56700.00	(6000)	7.20	43200.00	-	-	-	
	24-Aug-20	Sell	-	-	-	(30000)	40.30	1209000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	25-Aug-20	Sell	-	-	-	-	-	-	-	-	-	(96000)	30.41	2920000**	-	-	-	-	-	-	-	-	-	
	26-Aug-20	Sell	-	-	-	-	-	-	-	-	-	(177000)	38.95	6893400.00	-	-	-	-	-	-	(144000)	210.31	30284550.00	
	27-Aug-20	Sell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78000)	214.50	16731000.00		
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)			(90000)	25.40	2286000.00	(90000)	41.98	3777750.00	(6000)	25.03	150150.00	(282000)	35.89	10122100	(6000)	21.73	130350.00	(6000)	7.20	43200.00	(450000)	195.82	88120800
Net Proceeds (E) = (D) - (A)			-	-	1295250.00	-	-	3029700.00	-	-	75150.00	-	-	7647429.10	-	-	85350.00	-	-	7200.00	-	-	12636553.85	

* Net Buy Value (Rs.) = Rs.1646850 * (183000 shares/201000 shares) = Rs.1499370.90

** Net Sell Value (Rs.) = Rs.3558750 * (96000 shares/117000 shares) = Rs.2920000

*** Net Buy Value (Rs.) = Rs.26204400 * (141000 shares/156000 shares) = Rs.23684746.1538462

**** Net Sell Value (Rs.) = Rs.2407800 * (9000 shares/12000 shares) = Rs.1805850

Trades of Bhawarlal Jajoo HUF (Noticee No 11)

Annexure B.4

	Date	Particulars	ZEEL Aug-20 155 Call			ZEEL Aug-20 160 Call			ZEEL Aug-20 160 Put			ZEEL Aug-20 170 Call			ZEEL Aug-20 190 Call			ZEEL Aug-20 200 Call			ZEEL Aug-20 Fut		
			Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)
Pre-Announcement Trading	11-Aug-20	Buy	90000	10.26	923250.00	90000	8.08	727200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3000	161.6	484800.00
	13-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6000	164.65	987900.00
	13-Aug-20	Sell	-	-	-	-	-	-	(21000)	7.27	152700.00	-	-	-	-	-	-	-	-	-	-	-	-
	14-Aug-20	Sell	-	-	-	-	-	-	-	-	-	-	-	-	(9000)	3.15	28350.00	-	-	-	-	-	-
	14-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12000	1.94	23250.00	-	-	-
	17-Aug-20	Buy	-	-	-	-	-	-	-	-	-	510000	9.30	4742100.00	-	-	-	-	-	-	-	-	-
	18-Aug-20	Buy	-	-	-	-	-	-	-	-	-	504000	9.14	4607550.00	-	-	-	-	-	-	-	-	-
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)		90000	10.26	923250.00	90000	8.08	727200.00	(21000)	7.27	152700.00	1014000	9.22	9349650.00	(9000)	3.15	28350.00	12000	1.94	23250.00	9000	163.63	1472700.00
	Delta as on Aug 18, 2020 (B)		0.822			0.755			-0.245			0.596			0.283			0.171					
Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)		73979.65			67928.95			5148.88			604651.82			2546.56			2048.76						
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results																							
Post-Announcement Trading	19-Aug-20	Sell	(90000)	24.76	2228700.00	(90000)	25.33	2280000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	20-Aug-20	Sell	-	-	-	-	-	-	-	-	(9000)	36.00	324000.00	-	-	-	(81000)	9.52	771150.00	-	-	-	
	20-Aug-20	Buy	-	-	-	-	-	-	-	-	-	-	18000	19.00	342000.00	-	-	-	-	-	-	-	
	21-Aug-20	Buy	-	-	-	-	-	-	21000	0.65	13650.00	-	-	-	(9000)	15.22	136950.00	-	-	-	-	-	-
	21-Aug-20	Sell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12000)	10.53	126300.00	-	-	-	
	25-Aug-20	Sell	-	-	-	-	-	-	-	-	(21000)	31.04	651750.00	-	-	-	-	-	-	-	-	-	
	26-Aug-20	Sell	-	-	-	-	-	-	-	-	(297000)	40.59	12055950.00	-	-	-	-	-	-	-	-	-	
	27-Aug-20	Sell	-	-	-	-	-	-	-	-	(396000)	37.81	14972550.00	-	-	-	-	-	-	(9000)	208.50	1876500.00	
	27-Aug-20	Sell - Settlement	-	-	-	-	-	-	-	-	(291000)	39.55	11509050.00	-	-	-	-	-	-	-	-	-	
	27-Aug-20	Buy - Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81000	9.55	773550	-	-	-	
Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)		(90000)	24.76	2228700.00	(90000)	25.33	2280000.00	21000	0.65	13650.00	(1014000)	38.97	39513300	9000	22.78	205050.00	(12000)	10.33	123900.00	(9000)	208.50	1876500.00	
Net Proceeds (E) = (D) - (A)		-	-	1305450.00	-	-	1552800.00	-	-	139050.00	-	-	30163650.00	-	-	(176700)	-	-	100650.00	-	-	403800.00	

	Date	Particulars	ZEEL Aug-20 160 Put			ZEEL Aug-20 180 Call			ZEEL Aug-20 200 Call			ZEEL Aug-20 Fut		
			Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)	Qty	Rate (Rs)	Amount (Rs)
Pre-Announcement Trading	11-Aug-20	Sell	(45000)	9.27	417300.00	-	-	-	(72000)	1.04	74700.00	-	-	-
	11-Aug-20	Buy	-	-	-	72000	3.07	220800.00	-	-	-	75000	158.39	11879100.00
	12-Aug-20	Buy	-	-	-	30000	3.90	117000.00	-	-	-	-	-	-
	12-Aug-20	Sell	-	-	-	-	-	-	(30000)	1.35	40500.00	-	-	-
	13-Aug-20	Sell	-	-	-	-	-	-	(48000)	1.70	81600.00	-	-	-
	18-Aug-20	Buy	-	-	-	-	-	-	-	-	-	90000	173.07	15576450.00
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)		(45000)	9.27	417300.00	102000	3.31	337800.00	(150000)	1.31	196800.00	165000	166.40	27455550.00
	Delta as on Aug 18, 2020 (B)		-0.245			0.430			0.171			1.00		
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)		11033.31			43854.38			-25609.45			165000.00		
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results														
Post-Announcement Trading	19-Aug-20	Buy	6000	0.95	5700.00	-	-	-	-	-	-	-	-	-
	20-Aug-20	Sell	-	-	-	-	-	-	-	-	-	(45000)	202.70	9121500.00
	25-Aug-20	Buy	39000	0.10	3900.00	-	-	-	-	-	-	-	-	-
	26-Aug-20	Buy	-	-	-	-	-	-	48000	9.24	443400.00	-	-	-
	26-Aug-20	Sell	-	-	-	-	-	-	-	-	-	(60000)	213.00	12780000.00
	27-Aug-20	Sell	-	-	-	-	-	-	-	-	-	(60000)	212.30	12738000.00
	27-Aug-20	Sell - Settlement	-	-	-	(102000)	29.55	3014100	-	-	-	-	-	-
	27-Aug-20	Buy - Settlement	-	-	-	-	-	-	102000	9.55	974100	-	-	-
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)		45000	0.21	9600.00	(102000)	29.55	3014100	150000	9.45	1417500	(165000)	209.94	34639500
Net Proceeds (E)		-	-	407700.00	-	-	2676300.00	-	-	(1220700.00)	-	-	7183950.00	

	Date	Particulars	ZEEL Aug-20 Fut			
			Qty	Rate (Rs)	Amount (Rs)	
Pre-Announcement Trading	11-Aug-20	Buy	228000	158.39	36113100.00	
	12-Aug-20	Buy	9000	161.30	1451700.00	
	17-Aug-20	Buy	36000	169.40	6098400.00	
	18-Aug-20	Buy	192000	174.71	33544800.00	
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)			465000	166.04	77208000.00
	Delta as on Aug 18, 2020 (B)			1.00	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)			465000	-	-
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results						
Post-Announcement Trading	19-Aug-20	Sell	(150000)	179.03	26853750.00	
	20-Aug-20	Sell	(120000)	197.36	23683363.64*	
	21-Aug-20	Sell	(48000)	199.80	9590550.00	
	25-Aug-20	Sell	(147000)	198.88	29235450.00	
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 25, 2020)			(465000)	192.18	89363113.64
	Net Proceeds (E) = (D) - (A)			-	-	12155113.64

* Net Sell Value (Rs.) = Rs.15610500 * (120000 shares/198000 shares) = Rs.23683363.6363636

	Date	Particulars	ZEEL Aug-20 Fut			
			Qty	Rate (Rs)	Amount (Rs)	
Pre-Announcement Trading	11-Aug-20	Buy	105000	158.02	16592400.00	
	12-Aug-20	Buy	6000	161.25	967500.00	
	17-Aug-20	Buy	18000	169.53	3051600.00	
	18-Aug-20	Buy	96000	174.76	16777200.00	
	Net Position held as on Aug 18, 2020 (Pre-announcement) (A)			225000	166.17	37388700.00
	Delta as on Aug 18, 2020 (B)			1.00	-	-
	Total Delta as on Aug 18, 2020 (Pre-Announcement) (C) = (A) * (B)			225000	-	-
Announcement dated August 19, 2020 - Q1 FY 21 Financial Results						
Post-Announcement Trading	19-Aug-20	Sell	(75000)	179.40	13455300.00	
	20-Aug-20	Sell	(60000)	197.24	11834636.36*	
	21-Aug-20	Sell	(24000)	199.71	4793100.00	
	25-Aug-20	Sell	(66000)	199.40	13160400.00	
	Net position post announcement (i.e., between Aug 19, 2020 and Aug 27, 2020)			(225000)	192.19	43243436.36
Net Proceeds (E) = (D) - (A)			-	-	5854736.36	

* Net Sell Value (Rs.) = Rs.19527150 * (60000 shares/99000 shares) = Rs.11834636.36