BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MS/KS/2026-27/32669]

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

In respect of

National Steel and Agro Industries Limited

(PAN: AAACN3548H)

In the matter of Trading in Illiquid Stock Options on BSE

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (hereinafter referred to as **"BSE"**). SEBI observed that such large scale reversal of trades in stock options lead to creation of artificial volume at BSE. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid stock options at BSE for the period April 1, 2014 to September 30, 2015 (hereinafter referred to as **"IP"**).

2. Pursuant to investigation, it was observed that total 2,91,744 trades comprising substantial 81.40% of all the trades executed in stock options segment of BSE during the IP were non genuine trades. The aforesaid non-genuine trades resulted into creation of artificial volume in stock options segment of BSE during the IP. It was observed that National Steel and Agro Industries Limited (PAN: AAACN3548H) (hereinafter referred to as the **"Noticee"**) was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial

volumes in stock options and therefore were alleged to be manipulative, deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee for violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations, 2003”).

APPOINTMENT OF ADJUDICATING OFFICER

3. Ms. Barnali Mukherjee, Chief General Manger (‘CGM’) had been appointed as Adjudicating Officer in the matter, conveyed vide communique dated November 12, 2021, under section 19 read with Section 15-I(1) of the SEBI Act, 1992 (hereinafter referred to as **“SEBI Act, 1992”**) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **“Adjudication Rules”**) to conduct adjudication proceedings in the manner specified under Rule 4 of Adjudication Rules read with Section 15-I(1) and (2) of SEBI Act, 1992, and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of Adjudication Rules and Section 15HA of SEBI Act, 1992. Subsequently, the case was transferred to Adjudication Officer & CGM Shri Sudeep Mishra. The case has been assigned to this office vide Order dated June 1, 2026.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice dated August 10, 2022 ref. no. EAD-3/BM/UR/37213/2022 (hereinafter referred to as **‘SCN’**) was issued via SPAD and email to the Noticee under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against it for the alleged violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations, 2003 and liable to penalty under section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by Noticee. Further, the Noticee was informed about the SEBI Settlement Scheme, 2022, in terms of regulation 26 of the Securities and Exchange Board of India (Settlement

Proceedings) Regulations, 2018 in the matter of Illiquid Stock Options and in case, Noticee does not wishes to avail of the facility under the SEBI Settlement Scheme, 2022, Noticee was advised to file a reply to the SCN within 30 days of the receipt of the SCN. The SCN was delivered by email.

5. The SCN issued to the Noticee inter-alia alleged the following:

   5.1. It was observed from the trade data of the Noticee that it had allegedly executed 12 reversal trades in 6 contracts, which resulted in creation of artificial volume of 580000 units which created false and misleading appearance of trading and generated artificial volumes in the stock options segment of the BSE during the investigation period during April 1, 2014 to September 30, 2015 in violation of the aforesaid regulations.

   5.2. In view of the above, it was alleged that the Noticee, by indulging in execution of reversal trades in Stock Options with same entities on the same day, which were non-genuine in nature, had created false or misleading appearance of trading in the alleged contracts in the options segment of BSE. As these contracts were illiquid in nature, the Noticee allegedly created artificial volume in stock options which was manipulative and deceptive in nature. Therefore, it was alleged that the Noticee violated the provisions of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.

6. Thereafter, hearing notice was issued to the entity vide letter reference no. SEBI/HO/EAD/EAD-3/BM/UR/OW/2023/7782/03 dated February 24, 2023. An opportunity of personal hearing was granted on March 10, 2023 to the Noticee. The hearing notice was delivered through SPAD and email.

7. Thereafter another opportunity of personal hearing was provided by email dated March 13, 2023 for the hearing scheduled on April 10, 2023. It was informed in the email that the entity did not avail the hearing opportunity and also has not filed reply to the SCN. Therefore, in accordance with the principles of natural

justice another final opportunity of personal hearing is being provided on April 10, 2023. It was also informed that this will be the final opportunity of hearing and no further extension of adjournments shall be entertained and if the reply is received, then the matter shall be proceeded on the basis of materials based on record

8. The Noticee responded vide email dated April 4, 2023 stated that the company is under corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ('IBC') vide an Order of the National Company Law Tribunal ('NCLT') dated April 11, 2022 and Mr. Dushyant C Dave is appointed as the Resolution Professional ("RP').

9. The Noticee further stated that the Committee of Creditors ('CoC') in its 9th meeting held on October 6, 2022 approved the resolution plan submitted by JSW Steel Coated Products Ltd company. Subsequently, the RP filed an Interlocutory Application for approval under Section 31 of the IBC. Following a hearing on March 21, 2023, the NCLT reserved the matter for orders. In this regard, Noticee prayed to set aside the above referred intimations.

10. Pursuant to the appointment of the undersigned AO, the current status of the company was sought from BSE. Through an email dated August 14, 2026 BSE stated that the company was admitted into CIRP under the IBC on April 11, 2022. The resolution plan was approved on May 19, 2023 as disclosed by the company. Further provided the link for the said disclosure https://www.bseindia.com/xml-data/corpfiling/AttachHis/75330e0b-f9cc-476d-8675-886394de4b3f.pdf.

11. It is observed that pursuant to the approval of the resolution plan National Steel and Agro Industries Limited was acquired through the corporate insolvency resolution process by JSW Steel, operating via its wholly owned subsidiary

JSW Steel Coated Products Limited following approval from the Mumbai Bench of the National Company Law Tribunal in May 2023.

12. Further, I note the observations made at paragraph 38 (ii) of the NCLT order dated May 19, 2023 which is reproduced below:

'Further in terms of the Judgement of the Hon'ble SC in the matter of Ghanshyam Mishra and Sons Private Limited v/s Edelweiss Asset Reconstruction Company Limited, on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not part of the Resolution Plan shall stand extinguished and no person will not be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan.'

13. It was observed from the website of the Ministry of Corporate Affairs (MCA) that the status of the company is shown as "Inactive for e-filing". The date of Incorporation of the company is January 09, 1985.

14. NCLT Order dated March 21, 2024, the Noticee i.e National Steel and Agro Industries Limited (CIN no. U27100MH1985PLC037346) is amalgamated with JSW Steel Coated Products Limited company under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The effective date of the said scheme of amalgamation is October 4, 2024.

15. In view of the NCLT Orders and the subsequent amalgamation effective from October 04, 2024, the Noticee has ceased to exist as a legal entity. Therefore, the present adjudication proceedings have become infructuous and do not survive against the Noticee.

ORDER

16. In view of my findings noted in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, adjudication proceedings initiated against National Steel and Agro Industries Limited (AAACN3548H), vide SCN No. EAD-3/BM/UR/37213/2022 dated August 10, 2022 is disposed of.

17. In terms of rule 6 of the Adjudication Rules,1995, copy of this order is sent to SEBI and transferee company.

Medha Jeevan Sonparote

Digitally signed by Medha Jeevan Sonparote
Date: 2026.08.19 15:42:54 +05'30'

Place: Mumbai **MEDHA SONPAROTE**

Date: August 19, 2026 **ADJUDICATING OFFICER**