WTM/KV/IVD-2/ID18/32658/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 15-I(3) READ WITH SECTION 19 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

In the matter of suspected insider trading activity of certain entities in the scrip of Indian Oil Corporation Ltd.

In respect of:

Sr. No.	Noticees	PAN
1	Arun Kumar Somani	BOAPS8111R
2	Ramesh Chand Gupta	AAPPG1507P
3	Tara Devi Gupta	AEPPG4463C

(The entities mentioned above are individually referred by their respective names or Noticee no. and collectively referred to as "Noticees")

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A. Background

1. Indian Oil Corporation Ltd. (hereinafter referred to as **'IOCL'/ 'company'**), on October 31, 2023 informed the stock exchanges about its financial results for the quarter and half year ended September 2023. IOCL further declared an interim dividend of 50% i.e. INR 5 per equity share of face value of INR 10/- each for the financial year 2023-24. Pursuant to the dissemination of the above information on October 31, 2023, the price of the scrip of IOCL closed at INR 89.70 which was an increase of 1.64% as compared to the previous day close's price of INR 88.25.

2. Post the above corporate announcements and based on observations of the National Stock Exchange Ltd. (hereinafter referred to as **"NSE"**), Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) shortlisted Noticees for possible violations of the SEBI (Prohibiting of Insider Trading) Regulations, 2015 (hereinafter referred to as **"PIT Regulations"**), while trading in the scrip of IOCL from October 3, 2023 to November 15, 2023 (hereinafter referred to as the **"investigation period"/"IP"**).

3. Brief findings of Investigation is as under:

   i) It was alleged that Arun Kumar Somani **(hereinafter referred to as "Noticee no.1"),** a designated employee of IOCL was involved in the process of finalisation of limited review for Quarter 2 of 2023-24 for IOCL. Mr. Ramesh Chand Gupta **(hereinafter referred to as "Noticee no.2")** and Tara Devi Gupta **(hereinafter referred to as "Noticee no.3"),** are in-laws of the Noticee no.1 and were found to have traded in the scrip of IOCL during the investigation period.

ii) The investigations alleged that the Noticee no. 1 was privy to the information regarding the quarterly financial result ending September 2023 and information with respect to declaration of dividend for the financial year 2023-24 of IOCL **(hereinafter referred to as "UPSI")**. The UPSI period in the instant matter is from October 20, 2023 to October 31, 2023 (hereinafter referred to as **"UPSI period"**).

iii) The Noticee no.1 was son-in-law of Noticee nos. 2 and 3 and an insider of IOCL in terms of regulation 2(1)(g) of the PIT Regulations. Investigations alleged that the Noticee no.1 communicated the UPSI to Noticee nos. 2 and 3 who traded in the scrip of IOCL while in possession of the UPSI. Noticee nos. 2 and 3 while trading in the derivatives segment of IOCL made a profit of INR 16.70 lacs and INR 10.48 lacs respectively.

4. Pursuant to the investigation, adjudication proceedings against the Noticees were initiated and an Adjudicating Officer (hereinafter referred to as **"AO"**) was appointed in the matter. Accordingly, the AO issued Show Cause Notice (hereinafter referred to as **"SCN"**) dated October 31, 2024 in the matter.

B. Allegations in SCN Issued By Adjudicating Officer

5. The following violations were alleged against the Noticees:

    i) Notice no.1 is an employee of IOCL since 2009 and was posted as Senior Finance Manager during the UPSI period. The Noticee no.1 became privy to the UPSI regarding the quarterly financial result ending September 2023 of IOCL alongwith the declaration of interim dividend which was forwarded to him via email on October 21, 2023 (Saturday) at 15:43 hrs. The Noticee no. 1 communicated the UPSI to Noticee no.2. Further the Noticee no.2, on the basis of the UPSI received from the Noticee no.1, traded in his own account as well as in the account of the Noticee no.3 in the scrip of IOCL from October 23, 2023 (Monday) till October 26, 2023 (Thursday).

    ii) The Noticee no.1 by sharing the UPSI with Noticee no.2 violated regulation 3(1) of the PIT Regulations, and section 12A(e) of the SEBI Act. Noticee nos. 2 and 3 traded in the scrip of IOCL while in possession of the UPSI which resulted in violation of Regulation 4 of the PIT Regulations and Section 12(d) and (e) of the SEBI Act.

C. Findings of AO

6. Pursuant to completion of adjudication proceedings in the matter, vide order dated August 26, 2025, (hereinafter referred to as **"AO order"**) the AO exonerated all three Noticees of the alleged violations.

7. A summary of the findings of the AO is as under:

i) Noticee no.1 was an employee of IOCL since 2009. He held the position of Senior Finance Manager, Taxation at IOCL, Gurgaon and was a designated employee of IOCL during the UPSI period. The Noticee no. 1 did not dispute the receipt of email dated October 21, 2023 which contained the UPSI regarding the quarterly financial result ending September 2023 of IOCL and therefore was in possession of UPSI regarding the financial results of IOCL. The Noticee therefore falls within the ambit of 'insider' as defined under the PIT regulations by virtue of being a connected person as well as being in possession of UPSI.

ii) The above referred email dated October 21, 2023 only contained unpublished information relating to the financial results of IOCL and did not mention or refer to any announcement of interim dividend. Hence, the Noticee no. 1 was not privy to the UPSI regarding the announcement of interim dividend.

iii) The Noticee no.1 is the son-in-law of Noticee no.2 and 3 since 2011. However, there is no record to indicate that Noticee nos. 2 and 3 were financially dependent on the Noticee no.1 or that they had sought advice or consulted the Noticee no.1 before making investment decisions. No financial transactions were found between Noticees during the investigation period. The parents of the spouse were included in the ambit of 'relative' under regulation 2(hc) of the PIT Regulations vide amendment which came into effect from December 6, 2024. The above referred amendment was made effective post the investigation period and does not operate retrospectively hence the amendment has no bearing in the instant case.

iv) There is no direct evidence available on record *qua* the communication of UPSI by the Noticee no.1 to Noticee nos. 2 and 3.

v) It would not be proper to make an adverse inference against Noticees merely on the ground that Noticees went to Ahmedabad together, particularly when they live close by in the same building, frequent communication remains established and the trip they undertook was to celebrate a religious festival. Consequently, relying solely on the fact that their established proximity and communication, without any supporting material, would be unjust to conclude that UPSI was communicated by the Noticee no.1 to Noticee no.2 during the said trip.

vi) The Noticee nos. 2 and 3 frequently traded in the scrip of IOCL during the investigation period as well as beyond the investigation period. Both Noticee nos. 2 and 3 maintained a similar trading pattern during the investigation period. The trading activity of Noticee nos. 2 and 3 in the scrip of IOCL indicated sustained pattern characterized by consistent intensity and volume both during and beyond the UPSI period. The trading pattern of Noticee nos. 2 and 3 appeared to be that of seasoned market participants who engaged in regular market activity rather than isolated or strange investment linked solely to possession of UPSI. The AO found that the trading pattern of Noticee nos. 2 and 3 were consistent and unvarying with their overall trading pattern in the scrip of IOCL and therefore were in the manner of ordinary course of business.

vii) The Noticee nos. 2 and 3 had taken positions in the scrip of IOCL much before the UPSI had come into existence and Noticee no.1 became privy to it. These facts undermine that the trades of Noticee nos. 2 and 3 in the scrip of IOCL during the UPSI period stemmed from the possession of UPSI.

viii) It is not the case that Noticee nos. 2 and 3 had made a profit every time they traded in the scrip of IOCL. An analysis of the trading data show that Noticee nos. 2 and 3 had also incurred net losses in various years during the period from F.Y. 2019-2020 to F.Y. 2023-2024. This shows that the outcome of the trading by Noticee nos. 2 and 3 was unpredictable and was subject to the usual risks and fluctuations that are inherent in the F&O segment.

ix) The material available on record is not sufficient on the scale of preponderance of probability for sustaining the allegation that the Noticee no.1 had communicated the UPSI to Noticee no. 2 and based on which trades were executed by Noticee nos. 2 and 3. As per records, there is nothing unusual in the trading pattern of Noticee nos. 2 and 3 who were regularly trading in the derivatives segment of IOCL in considerable volume since 2020. Once the allegation against Noticee nos. 2 and 3 that they had access to UPSI fails, the allegation that Noticee nos. 2 and 3 traded in possession of UPSI cannot be sustained.

8. In light of the above findings, the AO disposed off the adjudication proceedings without imposition of any monetary penalty.

D. SCN under Section 15-I(3) of the SEBI Act

9. As per section 15-I(3) of the SEBI Act, the Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the Adjudicating Officer is erroneous to the extent it is not in the interest of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify.

10. In view of the aforesaid provisions in the matter, SEBI upon calling for and examining the records of the abovementioned adjudication proceedings found that the adjudication order passed by the AO was erroneous to the extent it was not in the interests of the securities market for the following reasons:

i) *It is not necessary to prove communication of UPSI from the Noticee No.1 to Noticee Nos. 2 and 3 and the same can be inferred from their cordial relations, residing in close proximity and travelling together on family vacation, when suspected trades in the scrip of IOCL were observed in the accounts of Noticee Nos. 2 and 3*

ii) *The trading pattern of Noticee Nos. 2 and 3 shows that they traded in the scrip of IOCL on the morning of the next trading day i.e. October 23, 2023, after the UPSI came to the knowledge of the Noticee No. 1.*

iii) *The AO in the Order dated August 26, 2025 has noted that Noticee Nos. 2 and 3 have regularly traded in the scrip of IOCL and incurred losses in majority of financial years (FYs). The FY wise profit / loss incurred by Noticee Nos. 2 and 3 while trading in the scrip of IOCL is given in table below*:

Table

FY	***Net Profit / Loss of Mr Ramesh Chand Gupta and Mrs. Tara Devi Gupta***
FY24	*-14,82,498*
FY23	*5,22,703*
FY22	*-7,43,795*
FY21	*-10,88,322*
FY20	*-14,67,720*

iv) *It is observed from the above table, that Noticee Nos. 2 and 3 incurred losses in majority of years. Thus it could not merely be a coincidence that Noticee Nos. 2 and 3 made profits of INR16.70 Lakh and INR10.48 Lakh respectively while trading during the UPSI period (October 20, 2023 to October 31, 2023) and made a net profit of INR 5.22 Lakh during the F.Y.2023 .*

11. Pursuant thereto, SCN dated November 20, 2025 (hereinafter referred to as **"SCN"**) was issued to the Noticees calling upon them to show cause as to why the AO order dated August 26, 2025 should not be examined under Section 15-I(3) of the SEBI Act, and why appropriate monetary penalty should not be imposed under the following provisions:

(i) The Noticee no. 1: Section 15G of the SEBI Act, for violation of provisions of Section 12A(e) of the SEBI Act and Regulation 3(1) of the PIT Regulations;

(ii) Noticee nos. 2 and 3: Section 15G(i) of the SEBI Act, for violations of provisions of Section 12A(d) and (e) of the SEBI Act and Regulation 4(1) of the PIT Regulations.

12. The Noticees in response to the SCN dated November 20, 2025, filed their replies vide letters dated December 3, 2025 and also requested for an opportunity of hearing. The Noticees also raised certain preliminary objections in their replies.

E. Summary of Submissions made by Noticees:

13. <u>Preliminary Submissions</u>:

The following preliminary submissions have been made by Noticees:

i) The initiation of fresh proceedings on identical grounds is impermissible, contrary to the statutory scheme of Section 15-I and represents a mere change of opinion, which is impermissible in law.

ii) The review power under section 15-I(3) of the SEBI Act, cannot be invoked to reopen conclusions on unsubstantiated preconceived notions merely because a different view is possible. It is settled law that review is not an appeal in disguise.

iii) The SCN under section 15-I(3) of the SEBI Act, interalia, proposing review of the AO order is devoid of merit and misuse and abuse of process of law. The power under section 15-I(3) cannot be invoked to substitute AO's appreciation of evidence and it is settled law that review jurisdiction is narrow and is not equivalent to appellate jurisdiction. It cannot be used to re-appreciate facts or adopt a different possible view.

iv) The SCN does not disclose how and in what manner SEBI satisfied itself and ordered to examine the records of the proceedings in the instant case. The date of the order of the Competent Authority / Board to examine the records is not mentioned in the SCN *interalia* demonstrating that the Board has not satisfied itself and there was no such order of the Board. The present SCN fails to establish any error apparent on the face of the record or any omission in the impugned order. The power under section 15-I(3) of the SEBI Act is only to be exercised by the Board and the SCN is devoid of all particulars/details i.e. there is no mention of any order of the SEBI Board/date of any such order to examine the impugned Adjudication order.

v) It is also travesty of justice that the order of the earlier AO who was an officer holding the rank of Chief General Manager is being reviewed by an Officer of the designation of Deputy General Manager. It is also worth mentioning that the Deputy General Manager was initially involved in the investigation of the instant case thus the adjudication proceedings are in utter violation of principles of natural justice and fare play.

14. <u>Submissions on merit</u>:

The following submissions have been made on merit:

i) The Noticees vehemently and out rightly denied, dispute and rebut every allegation, insinuation and inference contained in the SCN. The SCN proceeds on incorrect factual premises, misconceived legal propositions and impermissible re-appreciation of evidence already examined by the AO.

ii) The present proceedings are instituted under absolutely false and frivolous premises that Noticee no. 2 and 3 had gained from the transactions in the scrip of IOCL in October 2023 of which Noticee no. 1 was insider to the UPSI. Noticee no.1 is holding the same post in IOCL since 2009 and thus has the same access to the information even now.

iii) The Noticee no.1 being insider to the UPSI has no correlation with the transactions executed and profits earned by Noticee no.2 and 3. The past trading history of Noticees is a proof of the same.

iv) There is no evidence that the Noticee no. 1 had shared the UPSI with Noticee nos. 2 and 3. Further, Noticee nos. 2 and 3 are not immediate relatives of the Noticee no.1 as defined under regulation 2(f) of the PIT Regulations 2015. The Hon'ble Supreme Court has held that mere being relative in itself is not a proof to prove communication of UPSI.

v) The Noticee no.2 and 3 had never consulted Noticee no.1 for their financial decisions including their transactions in IOCL.

vi) The Noticee no.1 has never shared any UPSI with Noticee nos. 2 and 3 and this is proved from the fact that Noticee nos. 2 and 3 made frequent losses while their trading in the scrip of IOCL.

vii) The Noticee nos. 2 and 3 suffered net loss of INR 14.82 lacs in the F.Y. 2023-24 which is the period when the alleged violations have been charged against Noticees.

viii) The trading chart submitted by Noticee nos. 2 and 3 before the AO indicate that there were transactions in the scrip of IOCL on September 15 and 29, 2023 and on October 9 and 10, 2023 also. Thus the transactions alleged in the SCN are in continuance of the earlier trend of transactions and thus are bonafide transactions.

ix) The Noticee no.1 never had UPSI with respect to dividends issued by the IOCL and this fact is reflected in the impugned order.

x) The Noticee no.1, despite being a designated officer of IOCL since June 2009, prior to October 2023 there has never been any allegation of sharing/monetisation of UPSI.

xi) The Noticee no.1 became the son-in-law of Noticee nos. 2 and 3 since 2011 and he was the designated officer of IOCL throughout this time. However, there has never been any allegation against the Noticee no.1 of sharing / communicating UPSI with Noticee nos. 2 and 3 prior to October 2023.

xii) The Noticee nos. 2 and 3 are transacting in the scrip of IOCL for more than 15 years and had profited as well as suffered losses on various occasions. Their decision to purchase was based on positive environment with respect to oil companies in the country.

xiii) The price of the scrip of IOCL was trading at comparative lower price during September – October 2023 as compared to the price of the scrip in the month of July-August 2023.

xiv) The Noticee nos.2 and 3 had booked substantial losses in January and February 2024 in their transactions in the scrip of IOCL. Similar losses were booked in February – March 2023. Some losses were also booked even in the transactions carried out in October 2023 itself. The said losses are also reflected in the SCN dated October 21, 2024.

xv) There is long history of transaction entered into by Noticee nos. 2 and 3 in the scrip of IOCL. However majority of the transactions entered into by Noticee nos. 2 and 3 were kept out of the purview of the SEBI investigation. The other transactions are also of substantial value which shows that the transactions were done in usual course and not influenced by UPSI as alleged.

xvi) A review of the trading pattern shows that multiple trades across periods not linked to any corporate event and there was no unusual trades prior to any corporate announcement. No profit oriented strategy was deployed during the alleged period and the overall losses incurred wholly negate any theory of benefitting from UPSI.

xvii) The PIT Regulations require either (i)direct evidence of communication or (ii) compelling, proximate and cogent circumstantial evidence. Mere social relations or proximity cannot constitute proof nor inference of communication.

xviii) The SCN identifies no call, message, meeting, digital trail or any correspondence link suggesting flow of UPSI. The Hon'ble Securities Appellate Tribunal has repeatedly held that 'mere relationship is insufficient' to establish communication of UPSI.

xix) Trading in derivatives at market opening on event days, results-days or near settlement cycles is a standard practice for seasoned derivatives traders, which has been acknowledged by the AO.

xx) Repeated losses over multiple financial years while trading in the same scrip strongly rebut any suggestion of information-driven trading behaviour.

xxi) The present SCN fails to shows any illegality, error, failure to consider material evidence, misinterpretation of law or any perversity in findings of AO. The present SCN is a mere disagreement, which cannot justify review.

xxii) The reopening of the same proceedings on the same facts undermines the principles of certainty, fairness in adjudication, protection against repeated prosecution and the statutory scheme of SEBI's adjudicatory framework.

xxiii) For review an error apparent on the face of the record must be demonstrated, However, in the instant case no such error has been pointed out, therefore the SCN is liable to be withdrawn.

15. The Noticees were granted an opportunity of hearing on April 28, 2026. During the hearing, Noticees made submissions in line with their replies dated December 3, 2025.

16. I have gone through material available on record, the AO Order, SCN and submissions made before me. Before I proceed further, it is stated that this order is limited to the revision of the findings of the AO to see whether this Authority can come to a finding to the extent that the AO order is erroneous and not in the interest of the securities market. Before I proceed to examine the findings of AO, I would deal with the preliminary objections made by Noticees in the matter.

F. Findings on preliminary Objections raised by Noticees:

17. Before I proceed to deal with submissions of Noticees, it is relevant to refer section 15-I(3) of the SEBI Act, which confers powers of revision:

> *"15-I(3): The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:*
>
> *Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:*
>
> Provided *further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 15T, whichever is earlier."*

18. The Noticees contended that the initiation of fresh proceedings is contrary to the statutory scheme of Section 15-I of the SEBI Act and represents a mere change of opinion. The powers under section 15-I(3) cannot be invoked to reopen conclusions on unsubstantiated and pre-concerned notions or merely on

possibility of different view. Review is not an appeal in disguise and misuse and abuse of process of law. The SCN does not mention in what manner SEBI has satisfied itself and ordered to examine the records of proceedings in the instant case. It is further contended that the present SCN fails to establish any error or omission in the impugned order.

19. At the outset, it needs to be seen that the primary purpose for which SEBI is established is to protect the interest of investors, to maintain fairness and safety in the securities market and to facilitate capital formation. The expression referred in the SCN "not in the interests of securities market" in the context of an Adjudicating Officer's order is an expression which has a wider ramification and also includes within its ambit an element of public interest.

20. The section 15-I(3) of the SEBI Act empowers the Board to enhance the quantum of penalty imposed by the AO, "if the order passed by the Adjudicating Officer is erroneous to the extent it is not in the interests of the securities market". I agree with the Noticees that instant proceedings are not an appeal and would be dealt with accordingly. In my view, section 15-I(3) of the SEBI Act, empowers the Board to revisit the findings of AO in light of available evidence and is not only limited to any specific set of identifiable factual errors. It would also cover cases whose adjudication has culminated in levy or non-levy of penalty upon Noticees, which according to the Board, is inadequate to meet the larger interests of the securities market. Therefore the instant proceedings are not against the scheme of section 15-I(3) of the SEBI Act.

21. I also note that at para 7 of the SCN dated November 20, 2025, detailed grounds for initiation of instant proceedings in the matter have been provided . Details of the same is as follows:

    i) It is not necessary to prove communication of UPSI from the Noticee no. 1 to Noticee nos. 2 and 3 and the same can be inferred from their cordial relations, residing in close proximity and travelling together on family vacation, when suspected trades in the scrip of IOCL were observed in the accounts of Noticee nos. 2 and 3.

    ii) The trading pattern of Noticee nos. 2 and 3 show that they traded in the scrip of IOCL on the morning of the next trading day i.e. October 23, 2023 after the UPSI came to the knowledge of the Noticee no.1.

    iii) The Noticee nos. 2 and 3 made losses in majority of the years during F.Y. 2020 to 2024. However, it could not be merely be coincidence that Noticee nos. 2 and 3 made profits of INR 16.70 lacs and INR 10.48 lacs respectively while trading during UPSI period (October 20, 2023 to October 31, 2023).

22. After considering the above mentioned factors, the instant proceedings were approved and accordingly SCN was issued.

23. The Noticees have also submitted that the AO order was passed by an officer holding the designation of Chief General Manager and the order is being reviewed by an Officer having designation of Deputy General Manager (DGM) who was

initially involved in the investigation of the instant case. This is therefore utter violation of principles of natural justice.

24. As regards above submissions, I note that in terms of delegation of powers, SCN in instant proceedings was approved by me and thereafter SCN was issued by an Officer holding post of DGM. It is not a case that SCN was approved by DGM or proceedings under section 15-I(3) of the SEBI Act are conducted by DGM. Therefore, the contention of Noticees in this regard is not tenable.

G. Consideration and Findings on Merit

25. As the present proceedings arise under Section 15-I(3) of the SEBI Act, I now move on to see whether conclusion arrived at by the AO on the allegations against Noticees in AO order dated August 26, 2025 is erroneous to the extent it was not in the interests of the securities market.

26. Based on the facts and circumstances of the present case, the material available on record and the submissions made by Noticees, the following issues arise for consideration:

Issue 1: Whether the AO order erred in its findings on the allegation that the Noticee no.1 had communicated the UPSI to the Noticee no. 2, who in turn traded for himself and for the Noticee no.3 in the scrip IOCL while in possession of the UPSI?

Issue 2: Whether, in light of the findings at Issue (1), the AO order is erroneous to the extent that it is not in the interests of the securities market?

27. Before proceeding further, it is pertinent to refer to the relevant provisions of law applicable in the matter:

> **SEBI Act, 1992**
> *"12A. No person shall directly or indirectly—*
> *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; …."*
>
> **PIT Regulations**
> *"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.*
> *….*
> *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:*
> *Explanation –When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.*
> *…."*

Issue 1: Whether the AO order erred in its findings on the allegation that the Noticee no.1 had communicated the UPSI to the Noticee no. 2, who in turn traded for himself and for the Noticee no.3 in the scrip IOCL while in possession of the UPSI?

28. It is noted that the Noticee no.1 was an employee of IOCL since 2009 and held the post of Senior Finance Manager (designated employee of IOCL) during the UPSI period. Noticee no. 1 is the son-in-law of Noticee nos. 2 and 3. The Noticees

are in cordial relationship with each other and this fact has been admitted by Noticees themselves. Hence, there is no dispute on this finding in the AO order.

29. The AO found that the Noticee no. 1 was in receipt of an email dated October 21, 2023 with respect to the information on IOCL's quarterly financial results ending September 2023. However, the above mentioned email did not mention any information with respect to announcement of interim dividend by IOCL. Hence, the Noticee no. 1 was found to be an 'insider' as defined under the PIT regulations by virtue of being a connected person as well as being in possession of UPSI on IOCL's quarterly financial results ending September 2023. This aspect has also not been contended by the Noticee no.1 and therefore does not require further consideration.

30. The AO found that there was nothing on record to indicate Noticee nos. 2 and 3 were dependent on the Noticee no.1 nor there were any evidences which prove that Noticee nos. 2 and 3 sought advice from Noticee no.1 before making investment decisions. Additionally, no financial transactions were found between Noticees during the investigation period. The AO also found that Noticee nos. 2 and 3 cannot be considered as 'immediate relative' of the Noticee no.1 as defined in the PIT Regulations. Their relation would fall under the ambit of 'relative' vide amendment which came into effect from December 6, 2024 which is beyond the period of UPSI in the instant matter. The above findings of the AO is also not questioned in the SCN dated November 20, 2025 issued to Noticees and therefore does not require any deliberation.

31. It is also admitted fact that Noticees lived in close proximity (in the same building), had cordial relations and were in frequent communication with each other. The Noticees travelled together to Ahmedabad during the period i.e. from October 20 to 24, 2023. The Noticee no. 1 was privy to the UPSI on October 21, 2023 and subsequently on the very next trading day i.e. October 23, 2023, Noticee nos. 2 and 3 traded in the scrip of IOCL.

32. It is an admitted fact that there is no direct evidence available on record with respect to communication of the UPSI by Noticee no.1 to Noticee no. 2. Hence, conclusion is required to be derived on the basis of preponderance of probability. The AO held that solely based on the circumstances viz. Noticees stayed in the same building, were in frequent communication with each other, went on a trip to Ahmedabad together to celebrate a religious festival, would not be sufficient to make an adverse inference against Noticees.

33. With regard to the above finding, I note that para 7(a) of the SCN dated November 20, 2025 reads as follows:

    "It is not necessary to prove communication of UPSI from the Noticee No.1 to Noticee Nos. 2 and 3 and the same can be inferred from their cordial relations, residing in close proximity and travelling together on family vacation, when suspected trades in the scrip of IOCL were observed in the accounts of Noticee Nos. 2 and 3."

34. From the above facts, I note that even SCN also accepts that there is no direct evidence with respect to communication of UPSI from the Noticee no.1 to Noticee nos. 2. Therefore to arrive at a conclusion based on preponderance of probability, all facts are required to be taken into consideration including the trades executed by Noticee nos. 2 and 3 in the scrip IOCL during the investigation period as well as beyond the investigation period.

35. In this regard, I will first analyse the findings and conclusion of the AO with respect to trades executed by Noticee nos. 2 and 3. AO noted that Noticee nos. 2 and 3 regularly traded in the scrip of IOCL. Noticee nos. 2 and 3 had taken positions in the scrip of IOCL much before the UPSI had come into existence. The AO also noted that Noticee nos. 2 and 3 frequently traded in the scrip of IOCL both during and beyond the investigation period and followed a similar pattern of trading with consistent intensity and volume. Noticee nos. 2 and 3 were seasoned market participants and were engaged in regular market activity rather than isolated investments linked solely to possession of UPSI and therefore their trades in the scrip of IOCL were in ordinary course of business.

36. In light of the above findings of the AO, it is necessary to analyse the trade executed by Noticee nos. 2 and 3. The details of the trades executed by Noticee nos.2 and 3 in the scrip of IOCL during the investigation period is as under:

Table no. 1

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. in the scrip of IOCL on F&O Segment during the investigation period								
Sl No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/(Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	78000	132965	693072	560103	26/10/23	02/11/2023	30/11/2023
2	Ramesh Chand Gupta	117000	228716	928594	699877	23/10/23 & 26/10/23	02/11/2023	30/11/2023
3	Ramesh Chand Gupta	97500	183768	588804	405035	23/10/23 & 26/10/23	02/11/2023	30/11/2023
4	Tara Devi Gupta	58500	5231362	5652075	420713	10/10/23, 20/10/23	02/11/23, 03/11/23	30/11/2023
5	Tara Devi Gupta	195000	3697200	4713150	1015950	23/10/23, 26/10/23	02/11/23, 03/11/23	30/11/2023
6	Tara Devi Gupta	78000	7063875	6676800	-387075	15/09/23, 29/09/23, 09/10/23	26/10/23	26/10/2023

37. The above table shows that Noticee nos. 2 and 3 traded in the scrip of IOCL between the period from September 15, 2023 to November 3, 2023. The AO order acknowledges that the Noticee no.1 was privy to the UPSI on October 21, 2023 the date when he was in receipt of the email from IOCL. The above table shows that Noticee nos. 2 and 3 had carried out trades in the scrip much prior to the UPSI period i.e. October 20, 2023 to October 31, 2023 and after the UPSI period also. It may be clarified that the Noticee no. 2 has not disputed the allegation in the SCN that he traded in the account of the Noticee no.3.

38. It is also noted from the above table that trades referred at sr. nos. 1 to 5 at table no. 1 had an expiry date of November 30, 2023, however Noticee nos. 2 and 3 had executed sell trades much before the expiry date.

39. In this regard, the SCN alleges that Noticee nos. 2 and 3 made profits of INR 16.70 lakhs and INR 10.48 lakhs respectively while trading during the UPSI period

(October 20, 2023 to October 31, 2023). In order to examine this allegation, it is felt necessary to take into account the trades of Noticee nos. 2 and 3 which were executed beyond the investigation period and whether the trading pattern followed by them was consistent (i.e. executing trades before the date of expiry). This analysis becomes more necessary in view of the fact that there is no direct evidence to prove the communication of UPSI from the Noticee no.1 to Noticee no. 2.

40. The details of the trades carried out by Noticee nos. 2 and 3 in the scrip of IOCL for the period from 2019-20 to 2023-24 is as under:

Table no. 2

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2023-24 in the scrip of IOCL on F&O Segment beyond the investigation period								
Sl No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/(Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	9750	756262	778795	22533	27/03/2023	27/04/2023	27/04/2023
2	Ramesh Chand Gupta	58500	96797	0	-96797	03/01/2024	25/01/2024	25/01/2024
3	Ramesh Chand Gupta	156000	499099	0	-499099	03/01/24 & 05/01/24	25/01/2024	25/01/2024
4	Ramesh Chand Gupta	126750	78509	61382	-17123	05/04/23 & 13/04/23	27/04/2023	27/04/2023
5	Ramesh Chand Gupta	195000	420218	0	-420218	29/01/24 & 30/01/24	29/02/2024	29/02/2024
6	Ramesh Chand Gupta	97500	346695	0	-346695	30/01/24	29/02/2024	29/02/2024
7	Ramesh Chand Gupta	97500	346695	0	-346695	02/02/2024	29/02/2024	29/02/2024
8	Ramesh Chand Gupta	58500	237285	0	-237285	02/02/2024	29/02/2024	29/02/2024
9	Ramesh Chand Gupta	9750	39547	0	-39547	02/02/2024	29/02/2024	29/02/2024
10	Tara Devi Gupta	97500	12076350	12346425	270075	15/12/23, 26/12/23	20/12/23, 10/01/24	25/01/2024
11	Tara Devi Gupta	97500	394875	819000	424125	08/02/2024	09/02/2024	29/02/2024
12	Tara Devi Gupta	58500	8429850	7578675	-851175	26/12/23	25/01/24	25/01/2024
13	Tara Devi Gupta	195000	643500	0	-643500	28/12/23	25/01/24	25/01/2024
14	Tara Devi Gupta	58500	9885037	8469337	-1415700	25/01/24	25/01/24	25/01/2024

Table no. 3

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2022-23 in the scrip of IOCL on F&O Segment								
SI No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/(Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	19500	1494904	1626911	132007	21/12/22, 22/12/22	11/01/2023	25/01/2023
2	Ramesh Chand Gupta	87750	176638	722591	545953	23/12/22	11/01/2023	25/01/2023
3	Ramesh Chand Gupta	19500	1502703	1461182	-41521	19/12/22	29/12/2022	29/12/2022
4	Ramesh Chand Gupta	97500	102796	0	-102796	03/02/2023	23/02/2023	23/02/2023
5	Ramesh Chand Gupta	292500	196190	0	-196190	24/02/23, 23/03/23, 24/03/23	29/03/2023	29/03/2023
6	Tara Devi Gupta	9750	21937.5	82387.5	60450	23/12/2022	11/01/2023	25/01/2023
7	Tara Devi Gupta	29250	2257612.49	2440912.5	183300	21/12/2022	11/01/2023	25/01/2023
8	Tara Devi Gupta	195000	58500	0	-58500	24/03/2023	29/03/2023	29/03/2023

Table no. 4

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2021-22 in the scrip of IOCL on F&O Segment								
SI No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/(Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	13000	59280	0	-59280	26/03/2021	29/04/2021	29/04/2021
2	Ramesh Chand Gupta	65000	235300	0	-235300	18/03/21 & 25/03/21	29/04/2021	29/04/2021
3	Tara Devi Gupta	6500	608140	576420	-31720	19/03/2021	29/04/21	29/04/2021
4	Tara Devi Gupta	32500	130650	118755	-11895	12/04/2021	26/04/21, 28/04/21, 29/04/21	29/04/2021
5	Tara Devi Gupta	104000	312780	0	-312780	26/03/21, 05/04/21, 12/04/21	29/04/21	29/04/2021
6	Tara Devi Gupta	26000	92820	0	-92820	19/03/2021	29/04/21	29/04/2021

Table no. 5

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2020-21 in the scrip of IOCL on F&O Segment								
SI No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/ (Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	16000	1217600	1288480	70880	27/05/20	29/05/20	25/06/2020
2	Ramesh Chand Gupta	153900	13406856	13420479	13623	30/07/20, 03/08/20, 07/08/20, 11/08/20, 12/08/20, 13/08/20, 14/08/20	3/8/20, 07/08/20, 11/08/20, 12/08/20, 13/08/20, 14/08/20, 20/08/20	27/08/2020
3	Ramesh Chand Gupta	6500	619190	640445	21255	11/01/2021	12/01/2021	28/01/2021

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2020-21 in the scrip of IOCL on F&O Segment

Sl No	Name	Qty	Purchase Value	Sale Value	Profit/ (Loss)	Date of Purchase	Date of Sale	Expiry Date
4	Ramesh Chand Gupta	125400	10728882	10945482	216600	25/06/20. 30/06/20, 07/07/20, 10/07/20, 15/07/20, 16/07/20	26/06/20, 02/07/20, 08/07/20,15/07/20, 16/07/20, 20/07/20	30/07/2020
5	Ramesh Chand Gupta	5700	481992	510036	28044	27/11/20	02/12/2020	31/12/2020
6	Ramesh Chand Gupta	40000	122800	139200	16400	16/06/20	22/06/20	25/06/2020
7	Ramesh Chand Gupta	60000	244200	400600	156400	18/05/20, 19/05/20	22/05/20, 26/05/20	28/05/2020
8	Ramesh Chand Gupta	28500	67260	72390	5130	24/09/20	28/10/20	29/10/2020
9	Ramesh Chand Gupta	57000	145920	230280	84360	30/06/20	02/07/20, 21/07/20	30/07/2020
10	Ramesh Chand Gupta	16000	57120	170720	113600	15/03/21	18/03/21	25/03/2021
11	Ramesh Chand Gupta	16000	57120	107520	50400	12/03/2021	18/03/21	25/03/2021
12	Ramesh Chand Gupta	68400	6005577	5834691	-170886	25/08/20, 27/08/20 & 31/08/20	31/08/20 & 24/09/20	24/09/2020
13	Ramesh Chand Gupta	48000	3728560	3682240	-46320	28/04/20, 04/05/20, 05/05/20, 18/05/20	30/04/20, 18/05/20, 27/05/20	28/05/2020
14	Ramesh Chand Gupta	57000	174705	0	-174705	16/09/20, 17/09/20	24/09/20	24/09/2020
15	Ramesh Chand Gupta	131100	665019	449160	-215859	27/08/20, 31/08/20, 01/09/20	31/08/20, 24/09/20	24/09/2020
16	Ramesh Chand Gupta	57000	174420	0	-174420	27/08/20	24/09/20	24/09/2020
17	Ramesh Chand Gupta	39000	90090	19240	-70850	17/03/21, 18/03/21	24/03/21, 25/03/21	25/03/2021
18	Ramesh Chand Gupta	57000	246810	193230	-53580	03/08/2020	20/08/20	27/08/2020
19	Ramesh Chand Gupta	79800	352374	0	-352374	30/07/20, 31/07/20	27/08/20	27/08/2020
20	Ramesh Chand Gupta	40000	190800	99200	-91600	06/05/2020	27/05/20	28/05/2020
21	Ramesh Chand Gupta	40000	170800	0	-170800	28/04/20	28/05/20	28/05/2020
22	Ramesh Chand Gupta	45600	148656	0	-148656	21/09/20	29/10/20	29/10/2020
23	Ramesh Chand Gupta	11400	23484	10146	-13338	21/12/20	31/12/20	31/12/2020
24	Tara Devi Gupta	68400	172368	246582	74214	24/09/20	23/10/20, 28/10/20	29/10/2020
25	Tara Devi Gupta	28500	78945	196080	117135	21/12/20, 22/12/20	28/12/20	31/12/2020
26	Tara Devi Gupta	11400	952584	836304	-116280	09/07/2020	24/09/20	24/09/2020
27	Tara Devi Gupta	6500	653965	594295	-59670	03/09/2021	25/03/21	25/03/2021
28	Tara Devi Gupta	11400	1044696	1036602	-8094	21/12/20	24/12/20, 31/12/20	31/12/2020
29	Tara Devi Gupta	39900	162393	0	-162393	09/09/2020	24/09/20	24/09/2020
30	Tara Devi Gupta	34200	93024	28386	-64638	21/12/20	31/12/20	31/12/2020

Table no. 6

Trading Summary of Ramesh Chand Gupta & Tara Devi Gupta in F.Y. 2019-20 in the scrip of IOCL on F&O Segment								
Sl No	**Name**	**Qty**	**Purchase Value**	**Sale Value**	**Profit/(Loss)**	**Date of Purchase**	**Date of Sale**	**Expiry Date**
1	Ramesh Chand Gupta	77000	9902410	9667315	-235095	21/11/19, 28/11/19, 29/11/19, 02/12/19	02/12/19, 04/12/19, 06/12/19, 10/12/19, 16/12/19, 17/12/19, 26/12/19	26/12/2019
2	Ramesh Chand Gupta	44000	5492040	5364040	-128000	26/12/19, 16/01/20	27/12/19, 02/01/20, 16/01/20, 20/01/20	30/01/2020
3	Ramesh Chand Gupta	77000	273140	207165	-65975	02/12/19, 04/12/19, 10/12/19	23/12/19, 24/12/19	26/12/2019
4	Ramesh Chand Gupta	70000	249900	82390	-167510	29/11/19, 02/12/19	02/12/19, 24/12/19	26/12/2019
5	Ramesh Chand Gupta	40000	126800	113600	-13200	31/01/20	31/01/20	27/02/2020
6	Ramesh Chand Gupta	40000	82800	71120	-11680	31/01/20	31/01/20, 01/02/20	27/02/2020
7	Ramesh Chand Gupta	3500	10745	7105	-3640	21/11/19	28/11/19	28/11/2019
8	Ramesh Chand Gupta	188000	526960	0	-526960	27/12/19, 02/01/20, 16/01/20, 17/01/20	30/01/20	30/01/2020
9	Ramesh Chand Gupta	4000	306240	329320	23080	27/03/20	31/03/20	30/04/2020
10	Ramesh Chand Gupta	44000	147880	216920	69040	28/02/20, 02/03/20	09/03/2020	26/03/2020
11	Ramesh Chand Gupta	32000	134080	205760	71680	18/03/20	20/03/20	26/03/2020
12	Ramesh Chand Gupta	20000	87800	110600	22800	12/03/2020	13/3/2020	26/03/2020
13	Ramesh Chand Gupta	16000	36320	46080	9760	12/03/2020	13/3/2020	26/03/2020
14	Ramesh Chand Gupta	80000	113600	144400	30800	20/01/20, 21/01/20	23/01/20, 30/01/20	30/01/2020

41. As seen from details at table no. 2 to 6 above, Noticee nos. 2 and 3 have not only executed trades in the scrip of IOCL during the investigation period but have also traded even before and after the investigation period. In fact, the trade details show a consistent pattern of trading whereby on some instances contracts were closed prior to the expiry date and on some instances contracts were closed on the expiry date. The above details also show that Noticee nos. 2 and 3 made

profits as well as incurred losses while trading in the scrip of IOCL during the period from 2019-20 to 2023-24.

42. In fact, on perusal of the trading data of the Noticee no. 3 during the post investigation period i.e. in the month of January 2024, shows that Noticee no.3 had carried out sell trades on December 20, 2023 and January 10, 2024 and booked profits for contracts which were due to expiry on January 25, 2024. It was during this period that IOCL had declared their financial results for the quarter ended December 2023 and the same was intimated to the stock exchanges on January 24, 2024. As regards these trades no violation of the PIT Regulations has been alleged.

43. The above fact further substantiates that Noticee nos. 2 and 3 followed a consistent trading pattern in ordinary course of business.

44. In addition to above, it is also noted from the trade details submitted by Noticees that they had traded in various other scrips also during the period from 2019-20 to 2023-24 multiple times. It is noted from trading details that while trading in other scrips also Noticee nos. 2 and 3 had squared off their positions on various instances even before the expiry date of the contract while making profits or incurring losses as was done the scrip of IOCL.

45. The SCN highlighted the finding that though Noticee nos. 2 and 3 suffered net losses in the scrip of IOCL during the period from 2023-24, they had realised

profits of INR 27 lacs while trading during the narrow ten day UPSI window i.e. from October 20, 2023 to October 31, 2023. But this instance is not a one of its kind in the entire trading history of Noticee nos. 2 and 3. The details submitted for other scrips are evidences of various such instances seen in the trading pattern followed by Noticee nos. 2 and 3.

46. Further, it is an admitted fact that there is no direct evidence which proves the communication of UPSI from Noticee no.1 to Noticee no.2 therefore in such a scenario we need to see other circumstances to cross the threshold of preponderance of probability, which are as under:

   i) Noticee no.1 has been an employee of IOCL since 2009 and held the position of Senior Finance Manager at IOCL during the UPSI period.

   ii) The Noticee no.1 is the son-in-law of Noticee no.2 and 3 since 2011 and they have been in cordial relationship since then. Further, Noticee nos. 2 and 3 were found to be regularly trading in the scrip of IOCL during the investigation period as well as beyond the investigation period.

   iii) It is noted that prior to allegation of insider trading in the instant matter, Noticee no. 1, has not been alleged to have communicated any UPSI to Noticee nos. 2 or 3 inspite of the fact that Noticee no. 1 being an insider of IOCL and Noticee nos. 2 and 3 were regularly trading in the scrip of IOCL. The trading of Noticee nos. 2 and 3 and subsequently gaining profits or incurring losses also does not suggest the probability of Noticee nos. 2 and 3 having any UPSI.

iv) Noticee nos. 2 and 3 have been regularly trading in various other scrips as well and following the same trading pattern during the period from 2019-20 to 2023-24 and making profit and incurring losses.

v) The Noticee nos. 2 and 3 on various instances squared off contracts even prior to expiry date while making profits or incurring losses.

47. Above trading history of Noticees are material facts based on which AO has come to a conclusion that the Noticee No 1 had not violated Section 12A(e) of the SEBI Act and Regulation 3(1) of the PIT Regulations; and Noticee nos. 2 and 3 had not violated Section 12A(d) and (e) of the SEBI Act and Regulation 4(1) of the PIT Regulations.

48. In my view, AO's decision is not unreasonable or perverse. It is backed by good reasoning. It is also true that some other person in the same situation could have taken a different view based on his view on preponderance of probability. But that alone is not sufficient to come to a finding that the order is erroneous and not in the interest of securities market.

49. Further, it is a settled law that when two views are possible to be taken based on appreciation of evidence or based on preponderance of probability and the first authority has taken a view which is plausible view, in revision the authority should not interfere and come to different conclusion. In case of an appeal, the Appellate Authority can examine the facts and evidence afresh and take a different view.

However, the scope is different in revision. In this regard, reference may be made to the judgement of the Hon'ble Supreme Court of India in the matter of ***Commissioner of Income Tax, Mumbai Vs. Amitabh Bachchan*** *2016 INSC 406*, wherein the Apex Court held as under:

> *"20. An argument has been made on behalf of the Assessee that notice Under Section 69-C was issued by the Assessing Officer and thereafter on withdrawal of the claim by the Assessee the Assessing Officer thought that the matter ought not to be investigated any further. This, according to the learned Counsel for the Assessee, is a possible view and when two views are possible on an issue, exercise of revisional power Under Section 263 would not be justified. Reliance in this regard has been placed on a judgment of this Court in Malabar Industrial Co. Ltd. v. CIT MANU/SC/3008/2000 : (2000) 243 ITR 83 (SC) which has been approved in Commissioner of Income-tax v. Max India Ltd. MANU/SC/8239/2007 : (2007) 295 ITR 282 (SC).*
>
> *21. There can be no doubt that so long as the view taken by the Assessing Officer is a possible view the same ought not to be interfered with by the Commissioner Under Section 263 of the Act merely on the ground that there is another possible view of the matter. Permitting exercise of revisional power in a situation where two views are possible would really amount to conferring some kind of an appellate power in the revisional authority..*
>
> *(emphasis supplied)*

50. Reference is also made to judgment passed by Hon'ble Supreme Court in the matter of ***Income Tax vs. Max India Ltd****. on November 1, 2007* wherein the Hon'ble Court, inter alia, held as under:

> "*2. At this stage we may clarify that under paragraph 10 of the judgment in the case of Malabar Industrial Co. Ltd. v. CIT MANU/SC/3008/2000 : (2000) 243 ITR 83 this Court has taken the view that the phrase "prejudicial to the interests of the revenue " under Section 263 has to be read in conjunction with the expression "erroneous" order passed by the assessing officer. Every loss of revenue as a consequence of an order of the assessing officer cannot be treated as prejudicial to the interests of the revenue. For example, when an Income Tax Officer adopted one of the courses permissible in law and*

it has resulted in loss of revenue ; or where two views are possible and the Income Tax Officer has taken one view with which the Commissioner does not agree, it cannot be treated as an erroneous order prejudicial to the interests of the revenue , unless the view taken by the Income Tax Officer is unsustainable in law."

(emphasis supplied)

51. In the above referred orders, Hon'ble Court while clarifying the scope and limitation of a revisional jurisdiction held that the Revisional Authority is not expected to act as an Appellate Authority. Revisional jurisdiction does not allow interfering with the findings of fact recorded by the Authority just because on re-appreciation of the evidence, its view is different from the previous one. Unless the findings are perverse or arbitrary or wrong application of law, the power does not extend to revision of the findings.

52. Applying the aforesaid principle to the present case, it is noted that the AO has arrived at its findings after due examination of material available on record and the same is not found to be erroneous. There are facts which the AO has found to be appropriate for coming to a conclusion of there being no violation. I have not found that conclusion to be unreasonable or perverse or wrong application of law. Merely because another view may also be possible on the same set of facts and evidence by some other person, cannot be a valid ground to interfere with the AO order in exercise of revisional jurisdiction under section 15-I(3) of the SEBI Act.

Issue 2: Whether, in light of the findings at Issue (1), the AO order is erroneous to the extent that it is not in the interests of the securities market?

53. I find that the findings of AO are in accordance with the law arrived after due examination of material available on record and appreciation of evidence do not suffer from patent illegality. There is no ground to conclude that AO order is erroneous and therefore not in the interest of securities market. Therefore, no interference under section 15-I(3) of the SEBI Act is warranted.

H. Conclusion

54. Accordingly, I answer to issues framed in the matter as under:

Issue 1: Whether the AO order erred in its findings on the allegation that the Noticee no.1 had communicated the UPSI to the Noticee no. 2, who in turn traded for himself and for the Noticee no.3 in the scrip of IOCL while in possession of the UPSI?

No. The AO has not erred in the finding that there is no sufficient evidence based on preponderance of probability for sustaining the allegation that Noticee no.1 had communicated the UPSI to Noticee no. 2, who in turn traded for himself and for the Noticee no.3 while in possession of UPSI.

Issue 2: Whether, in light of the findings at Issue 1 above, the AO order is erroneous to the extent that it is not in the interests of the securities market?

No.

I. Order

55. In view of the findings recorded in the paragraphs above, I hold that the violations noted therein do not stand established against the respective Noticees.

56. In exercise of powers under Section 15-I(3) read with Section 19 of the SEBI Act, after taking into consideration all the facts and circumstances of the case the adjudication order dated August 26, 2025 passed by the Adjudicating Officer against the Noticees in the instant matter is not found to be erroneous to the extent and not found to be detrimental to the interest of the securities market and therefore does not warrant any interference.

57. A copy of this order may be sent to each of the Noticees.

KAMLESH CHANDRA VARSHNEY Digitally signed by KAMLESH CHANDRA VARSHNEY Date: 2026.08.13 15:47:52 +05'30'

PLACE: MUMBAI **KAMLESH C. VARSHNEY**

DATE: August 13, 2026 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA