



**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. Order/AK/DS/2026-27/32434]**

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**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:**

**The Ellenbarrie Tea Company Limited**  
**(PAN: AAACE5769M)**

In the matter of Trading in Illiquid Stock Options at BSE

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**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 of 2,91,744 trades comprising 81.40% of all the trades executed in stock options segment of BSE during the IP were allegedly non genuine trades. The aforesaid alleged non-genuine trades resulted into creation of artificial volume in stock options segment of BSE during the IP. It was observed that The Ellenbarrie Tea Company Limited (PAN – AAACE5769M) (hereinafter referred to as the “**Noticee**”) was one of the various entities, which indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were alleged to be non-genuine in nature and created 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 alleged violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”).



### **APPOINTMENT OF ADJUDICATING OFFICER**

3. SEBI appointed Ms. Sudha Rani R. Thirukonda, vide Order dated September 20, 2021, as Adjudicating Officer (AO) in the matter u/s 19 r/w Section 15-I(1) of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) to conduct adjudication proceedings in the manner specified under Rule 4 of SEBI Adjudication Rules r/w Section 15-I(1) and (2) of SEBI Act, and if liable, impose such penalty as deemed fit in terms of Rule 5 of SEBI Adjudication Rules r/w Section 15HA of SEBI Act. Pursuant to transfer of case, the undersigned was appointed as Adjudicating Officer in the matter, vide Order dated April 03, 2025.

### **SHOW CAUSE NOTICE, REPLY AND HEARING**

4. A Show Cause Notice dated March 10, 2022 (hereinafter referred to as “**SCN**”) was issued to the Noticee by the AO u/r 4(1) of the SEBI Adjudication Rules to show-cause as to why an inquiry should not be initiated against it and why penalty, if any, should not be imposed u/s 15HA of the SEBI Act for the violations alleged to have been committed by the Noticee.
5. It was inter alia alleged in the SCN that the Noticee had executed 2 non-genuine trades in 1 Stock Options contract which resulted in artificial volume of total 96,000 units.
6. The SCN was issued to the Noticee through SPAD with reference number SEBI/HO/LAD1/LAD1\_DOP4/OW/10147/1 dated March 10, 2022 and through email on March 11, 2022. The Noticee submitted its reply vide letter dated March 21, 2022.
7. Subsequently, a Post Show Cause Intimation (PSI) dated August 10, 2022 was issued and served to the Noticee through SPAD. The said PSI inter alia contained information regarding SEBI ISO Settlement Scheme, 2022. The Noticee did not avail the said Settlement Scheme, 2022. Subsequently, another Post Show Cause Intimation (PSI) dated March 06, 2024 was issued to the Noticee through SPAD and email. However, the PSI could not be served through SPAD. The said PSI inter alia contained information regarding SEBI ISO Settlement Scheme, 2024. The Noticee did not avail the said Settlement Scheme, 2024.



8. Upon transfer of instant proceedings to the undersigned and in the interest of natural justice, the SCN along with an opportunity of personal hearing in the matter was granted to the Noticee vide letter dated October 06, 2025. The letter sent through SPAD had returned undelivered. The hearing notice was also attempted to be served through MIs. Thereafter, the SCN was served upon the Noticee through public notice on March 20, 2026. The public notice was published in three newspapers, namely, The Statesman (English), Sanmarg (Hindi) and Duranta Barta (Bengali) in Kolkata Edition/Circulation. Vide the said public notice, the Noticee were provided with an opportunity to submit reply to the SCN within 14 days of the publication of the said Notice by accessing the same from SEBI website. However, no response was received from the Noticee.
9. The submissions made by the Noticee vide letter dated March 21, 2022 are summarized below:
  - 9.1 *The Noticee has not violated any of the alleged provisions of PFUTP Regulations.*
  - 9.2 *All the trades were executed on floor of the exchange, in anonymous order matching system, wherein it is impossible to know the identity of the counterparty. Thus, matching of trades was merely a coincidence, for which the Noticee cannot be held guilty.*
  - 9.3 *If BSE considered reversal trades as non-genuine, it could have put upfront checks or rejected or annulled them after market hours. However, no objection was made when the trades were executed, and the SCN was issued after 6 years of executing such trades. If SEBI believes that the trades were non-genuine, then BSE and the brokers should be penalized, and not the investors.*
  - 9.4 *If investor cannot file complaint to the broker after three years, then how can SEBI initiate proceedings after a lapse of 6 years.*
  - 9.5 *Noticee requested for access to certain documents, including copy of the investigation report, noting of satisfaction of SEBI WTM that the Noticee has violated the provisions of law, details of counterparties, details of all trades executed by the counterparties, copy of statements of various persons, as recorded by SEBI in the matter. Noticee relied and quoted from various judgements of Hon'ble Supreme Court in support of its submissions that it should be provided with the aforesaid documents and cross-examination at a later stage.*



- 9.6 *Making allegations on the basis of few trades is erroneous. There is nothing in the SCN to allege that the Noticee had entered into any understanding with its counterparties to execute such trades.*
- 9.7 *The observation that the stock option is illiquid, is factually incorrect. The SCN is vague, arbitrary and records common generic allegations against the Noticee, as no specific role is attributed to the Noticee in the SCN.*
- 9.8 *The trades were executed in the ordinary course of business, by following laid procedure. The option series, and price range within which the Noticee had traded were allowed on the BSE anonymous order matching platform.*
- 9.9 *Based on the fact that the trades were reversed with the same counterparty, it cannot be alleged that the trades are fraudulent and manipulative, in the absence of cogent connection or mischievous meeting of minds between the counterparties. The Noticee referred to and relied upon the judgements of Hon'ble SAT in the matter of Jagruti Securities [2008 SCC Online SAT 184], S.P.J Stock Brokers Private Limited [2013 SCC Online SAT 67; 2013 SAT 17], H.B. Stockholdings Limited [2013 SAT 44], and Sanjay Agarwal (dated May 18, 2012), in support of its submissions.*
- 9.10 *There was no major movement in the underlying scrip itself, which shows that there was no impact of Noticee's trades in the market. The fact that the Noticee has earned profit while dealing in option segment cannot be a ground to rope the Noticee into present proceedings.*
- 9.11 *The fact that BSE discontinued weekly options contracts w.e.f 04/03/2016 confirms that flaws and faults were there in the BSE's financial product / process.*
- 9.12 *No disproportionate gain has been made or derived any unfair advantage has been derived. No loss has been caused to investors.*

### **CONSIDERATION OF ISSUES AND FINDINGS**

10. The charges levelled against the Noticee and the documents / material available on record have been carefully perused. The issues that arise for consideration in the present case are:
- 10.1 Whether the Noticee has violated provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations?
- 10.2 Does the violation, if any, attract monetary penalty u/s 15HA of the SEBI Act, 1992?



10.3 If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?

11. Before proceeding further, the relevant provisions of the PFUTP Regulations are mentioned as below:

**PFUTP Regulations, 2003**

**3. Prohibition of certain dealings in securities**

*No person shall directly or indirectly—*

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

**4. Prohibition of manipulative, fraudulent and unfair trade practices**

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

**Issue (a) : Whether the Noticee has violated provisions of Regulations 3(a), (b), (c), (d) and Regulation 4(1) & 4(2)(a) of PFUTP Regulations?**

12. Before proceeding to the merits of the case, it is noted that pursuant to a preliminary examination conducted in the Illiquid Stock Options matter, Interim order was passed by SEBI on August 20, 2015 which was confirmed vide Orders dated July 30, 2016 and August 22, 2016. Meanwhile, SEBI initiated a detailed investigation relating to stock options segment of BSE which was completed in the



year 2018. The investigation revealed that 14,720 entities were involved in executing non-genuine trades in BSE's stock option segment during the investigation period. The proceedings initiated vide the aforementioned Interim Order were disposed of vide Final Order dated April 05, 2018 also considering that appropriate action was initiated against the said 14,720 entities in a phased manner.

13. It is further noted that there are no timelines prescribed in the SEBI Act, for the purpose of identifying trades as non-genuine. In this regard, it is pertinent to note that, in the matter of **SEBI Vs Bhavesh Pabari** (2019) SCC Online SC 294, the Hon'ble Supreme Court of India has, inter alia, held that:

*“There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc.”*

14. It is relevant at this juncture to deal with the transactions executed by the Noticee in the alleged non-genuine trades.
15. It is noted that allegation against the Noticee is that, while dealing in the stock option contract at BSE during the IP, it had executed reversal trades which were allegedly non-genuine trades and the same had resulted in generation of artificial volume in stock option contract at BSE. Reversal trades are considered to be those trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are alleged to be non-genuine trades as they are not executed in the normal course of trading, lack basic trading rationale, lead to false or misleading appearance of trading in terms of generation of artificial volumes and hence, are deceptive and manipulative.
16. Further, it is noted from the trade log of the Noticee that it had allegedly executed 2 non-genuine trades in 1 contract and the above mentioned trades of the Noticee had resulted in the creation of artificial volume of 96,000 units in the said contract. Summary of non-genuine trades of the Noticee is as follows:



Contract Name	Avg. Buy Rate (Rs)	Total Buy Volume (No. of units)	Avg. Sell Rate (Rs)	Total Sell Volume (No. of units)	% of Non-Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non-Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
ADPW15APR36.00CE	5.5	48,000	6.9	48,000	100	12.5	100	6.67

17. I note that the Noticee had allegedly executed non-genuine trades in said contract, wherein the alleged non-genuine trades of the Noticee in stock options contract were 12.5% of the total trades in the contract. Further, alleged artificial volume generated by Noticee in the contract amounted to 100% volume of total volume generated by it in the contract. It is also noted that alleged artificial volume generated by the Noticee was 6.67% of the total volume from the market in the said contract. The details of squaring up done by the Noticee in the contract 'ADPW15APR36.00CE' is as given below:

Trade Date	Client Name	CP Client Name	Trade Time	Trade Rate (Rs.)	Traded Quantity	Buy/Sell by the Noticee
30/04/2015	THE ELLENBARRIE TEA COMPANY LIMITED	YOCHANA VYAPAAR PRIVATE LIMITED	13:57:14	5.5	48,000	Buy
30/04/2015	YOCHANA VYAPAAR PRIVATE LIMITED	THE ELLENBARRIE TEA COMPANY LIMITED	13:58:38	6.9	48,000	Sell

17.1 As can be seen from the table above, the trades executed by the Noticee in the contract was squared up within short time, with the same counterparty. Noticee on April 30, 2015 at 13:57:14 hrs (Order time of Noticee and the Counterparty was same as the trade time) entered into a buy trade with counterparty viz. YOCHANA VYAPAAR PRIVATE LIMITED for 48,000 units at the rate of Rs. 5.5 per unit in the contract 'ADPW15APR36.00CE'.



Thereafter, on the same day at 13:58:38 hrs, (Order time of the Noticee and the Counterparty was same as the trade time), Noticee entered into 1 sell trade for 48,000 units with same counterparty viz. YOCHANA VYAPAAR PRIVATE LIMITED at the average rate of Rs 6.9 per unit.

17.2 I note that while dealing in the said contract during the IP, the Noticee executed reversal trade with same counterparty viz. YOCHANA VYAPAAR PRIVATE LIMITED, on the same day, with significant price difference.

17.3 Thus, the Noticee, through its dealing in the contract viz. 'ADPW15APR36.00CE' during the I.P., executed trade which was 12.5% of the total trades from the market in the said contract during the I.P., and thereby, Noticee generated artificial volume of 96,000 units which was 6.67% of the volume traded in the said contract from the market during the I.P.

18. Noticee submitted that trades were executed on the floor of the exchange with due compliance with all the rules and regulations of the exchanges, and that they were executed in the normal course of business. Firstly, I note that the non-genuineness of these transactions executed by the Noticee is evident from the fact that there was no commercial basis as to why, within a short span of time, the Noticee reversed the position with his counterparties with significant price difference. The fact that the transactions in a particular contract were reversed with the same counterparty indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. Secondly, since these trades were done in illiquid option contract, there was negligible trading in the said contract and hence, there was no price discovery in the strictest terms. Thus, it is observed that Noticee had indulged in reversal trades with his counterparty in the stock options segment of BSE and the same were non-genuine trades.

19. The Noticee, vide its letter dated March 21, 2022, had requested for certain documents, including copy of the investigation report, noting of satisfaction of SEBI WTM that the Noticee has violated the provisions of law, details of counterparties, details of all trades executed by the counterparties, copy of statements of various persons, as recorded by SEBI in the matter, and also stated that it may require cross-examination at a later stage. I note that the SCN does not mention recording of statements of any person, and the details of alleged trades and the counterparty were already provided as annexure to the SCN. The details of all trades executed



by the counterparty is irrelevant and also constitutes third party information, which cannot be provided to the Noticee. While relevant extracts of the Investigation Report could have been provided to the Noticee, it is noted that the Noticee did not appear for the hearing, even though the digitally signed copy of the hearing notice was duly served to the Noticee vide email dated October 07, 2025. As no response or request for documents was received by the undersigned, no further documents were provided to the Noticee.

20. Noticee also contended that the impugned trades did not induce other investors to trade in the said stock options contracts. I note that the Noticee executed reversal trades which defy market rationality when looked along with attending circumstances in toto. Therefore, Noticee's trades, irrespective of the quantum of such trades, were manipulative and intended to create misleading appearance of trading, so the contentions of Noticee in this regard are liable to be rejected. I note that the impugned stock option contracts were illiquid, as stated in the SCN, and also that Noticee's trades in the contracts contributed 6.66% to the total market volume generated during the IP. Noticee's trades, irrespective of the quantum of such trades, contributed substantially to the volume generated in the contract.
21. Noticee has further contended that it had no knowledge of counterparty to the trades and that it did not engage in any collusion with the counterparty as alleged. In regard to the aforesaid contentions, I note that it is not mere coincidence that the Noticee could match its trades with the same counterparty with whom it had undertaken first leg of the respective trades. The fact that the transactions in a particular contract were reversed with the same counterparty for the same quantity of units, indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. This is the outcome of meeting of minds elsewhere and it was a deliberate attempt to deal in such a manner. In this regard, it is noted that in matters dealing with violation of PFUTP Regulations, the reason as with respect to execution of non-genuine trades might not be immediately forthcoming. However, the correct test instead, is one of preponderance of probabilities and therefore at this juncture, it is pertinent to rely on the judgment of Hon'ble Supreme Court in **SEBI v Kishore R Ajmera (AIR 2016 SC 1079)** decided on February 23, 2016, wherein it was held that-



*“...According to us, knowledge of who the 2<sup>nd</sup> party / client or the broker is, is not relevant at all. While the screen based trading system keeps the identity of the parties anonymous it will be too naïve to rest the final conclusions on the said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming...in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. The illustrations are not exhaustive...”*

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



collusion of the Noticee with his counterparty to carry out the trades at pre-determined prices

24. Further, following is noted from the judgement of the Hon'ble SAT in the matter of **Ketan Parekh vs SEBI (supra)**:

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

25. It would be instrumental to also place reliance on the judgment of Hon'ble Supreme Court in the matter of **SEBI v Rakhi Trading Private Limited (Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011 decided on February 8, 2018)**, in which the Hon'ble SC held that - *“Considering the reversal transactions, quantity, price and time and sale, parties being persistent in number of such trade transactions with huge price variations, it will be too naive to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the board's circular. The impugned transactions are manipulative/deceptive device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities.....”*

26. Further, the Hon'ble SAT in its judgement dated September 14, 2020 in the matter of **Global Earth Properties and Developers Pvt Ltd** relied upon the Hon'ble Supreme Court judgement in the matter of **SEBI v Rakhi Trading Private Limited (Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011 decided on February 8, 2018)**, and held that, *“It is not a mere coincidence that the Appellants could match the trades with the counter party with whom he had undertaken the first leg of respective trade. In our opinion, the trades were non-genuine trades and even though direct evidence is not available in the instant case but in the peculiar facts and circumstances of the present case there is an irresistible inference that can be drawn that there was meeting of minds between the Appellants and the counter parties, and collusion with a view to trade at a predetermined price.”*



27. Noticee has contended that the decision of investors was not affected because of reversal trades executed by it. I note that the impugned reversal trades, which were carried out with prior meeting of minds as inferred from the case facts, affected the price discovery and execution of trades as per market mechanism on the stock options segment of BSE. In this regard, I further note the following from the judgement of the Hon'ble SC in the matter of SEBI vs Rakhi Trading Pvt Ltd (supra):

*“.....According to SAT, only if there is market impact on account of sham transactions, could there be violation of the PFUTP Regulations. We find it extremely difficult to agree with the proposition. As already noted above, SAT has missed the crucial factors affecting the market integrity, which may be direct or indirect. The stock market is not a platform for any fraudulent or unfair trade practice. The field is open to all the investors. By synchronization and rapid reverse trade, as has been carried out by the traders in the instant case, the price discovery system itself is affected. Except the parties who have pre-fixed the price nobody is in the position to participate in the trade. It also has an adverse impact on the fairness, integrity and transparency of the stock market.”*

Therefore, I note that contentions of Noticee in this regard are without merits.

28. Noticee has also contended that BSE had not cautioned the Noticee, or raised alarm, or annulled the trades. Hence, the trades could not be considered fraudulent. I note that instant adjudication proceedings levy the impugned allegations against Noticee, and that absence of any preventive mechanism cannot be a ground to absolve Noticee from his obligation to ensure genuineness of trades executed on exchange platform.

29. Thus, the trading behaviour of the Noticee confirms that such trades were not normal indicating that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in respective contract. In view of the above, the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, against the Noticee stands established.

***Issue (b): Does the violation, if any, attract monetary penalty u/s 15HA of the SEBI Act, 1992?***

30. Considering the findings that the Noticee has executed non-genuine trades resulting in the creation of artificial volume, thereby violating the provisions of



Regulation 3(a), (b), (c) & (d) & Regulation 4(1) and 4(2)(a) of the PFUTP Regulations, it is a fit case for imposition of monetary penalty on Noticee u/s Section 15HA of SEBI Act which reads as under:

**Penalty for fraudulent and unfair trade practices.**

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

**Issue (c): If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in Section 15J of the SEBI Act, 1992?**

31. While determining the quantum of penalty u/s 15HA of SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act which reads as under:

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

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default;*
- (c) the repetitive nature of the default.*

32. It is observed, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the losses, if any, suffered by the investors due to such violations on part of the said Noticee. However, the Noticee has entered into 2 non-genuine trades which demonstrates the violation of PFUTP Regulations.

**ORDER**

33. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in section 15J of the SEBI Act, 1992 and in exercise of power conferred u/s 15-I of the SEBI Act, 1992 r/w Rule 5 of the



SEBI Adjudication Rules, 1995, following penalty u/s 15HA of the SEBI Act, 1992 is imposed on the Noticee:

<b>Name of the Noticee</b>	<b>Violation provisions</b>	<b>Penalty</b>
The Ellenbarrie Tea Company Limited PAN: AAACE5769M	Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations	Rs 5,00,000/- (Rupees Five Lakhs only)

The said penalty is commensurate with the lapse/omission on the part of the Noticee.

34. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either through online payment facility available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in) on the following path, by clicking on the payment link:

ENFORCEMENT > Orders > Orders of AO > PAYNOW

In case of any difficulties in payment of penalties, the Noticee may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in)

35. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.
36. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the Noticee viz. The Ellenbarrie Tea Company Limited and also to SEBI.

**Date: June 05, 2026**

**Place: Mumbai**

**AMIT KAPOOR**

**ADJUDICATING OFFICER**