

Procedure in Case of Reversal Trades

Tradebulls Securities monitors trading activity in accordance with regulatory requirements prescribed by the Securities and Exchange Board of India (SEBI) and stock exchanges to identify transactions that are not in the normal course of trading, also referred to as abnormal or non-genuine transactions.

One such category is **reversal trades**, which are transactions that offset each other within a short time frame, often executed at significantly different prices. These trades may create artificial market activity or indicate non-genuine intent, including potential loss transfer or undue financial benefit.

Key characteristics of reversal trades include:

- Same client or related clients appearing on both sides of the transaction
- Execution of buy and sell orders within a short time interval
- Significant price differences between corresponding trades
- Patterns of consistent profit for one party and loss for another
- Occurrence in illiquid contracts with limited market participation

Procedure followed by Tradebulls Securities:


- Identification of trades exhibiting characteristics of reversal or non-genuine transactions
- Communication to the concerned client seeking explanation/clarification
- Review of client response along with supporting documents, if any
- Documentation and reporting of the response (or non-response) to the stock exchange/regulatory authorities
- Implementation of precautionary measures, including freezing or withholding of funds, where required

As per regulatory guidelines, Tradebulls Securities is required to report such instances and may, where deemed necessary, freeze or withhold funds to the extent of the trade value or the resulting profit/loss. Such actions, along with reasons, are reported to the stock exchange within the prescribed timelines.

The determination of whether such trades are abnormal or non-genuine rests solely with the stock exchange, and its decision shall be final and binding on all concerned parties.

Clients are advised to provide timely and accurate clarifications regarding their trading activity. Failure to respond or provide satisfactory explanation may result in further regulatory action as deemed appropriate by the exchange.

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