

PUNISHMENT PUTS OTHER HIGH-FREQUENCY TRADING FIRMS ON NOTICE

Jane Street's India run: From windfall to roadblock

ANTO ANTONY, CHIRANJIVI CHAKRABORTY & TOM REDMOND July 7

TIGHTENED RESTRICTIONS

Taming the options market



India's exchanges trade the most derivatives globally



and the lowest a seller is willing to accept.

Critics argue they use their technological advantages — such as having their own servers in data centres owned by stock exchanges — to front-run orders by retail and other investors.

Sophisticated, computer-driven algorithms can also enable large firms to profit from small price fluctuations, or exploit erratic trading behaviour among retail speculators.

India presents a unique opportunity given its market structure. The options market has high retail participation, in part because minimum trade sizes are relatively small, and bets can be made for as little as 1.2 cents. Options give their holders the right to buy or sell an asset — such as an individual stock or an index — at a specific price on or before a certain date. They enable traders to bet on the direction of stocks for a fraction of the cost of buying and selling the actual securities.

Speed traders currently account for about 60% of the trading volume in India's equity derivatives market, where \$3 trillion in notional value is traded daily, and close to 40% of the country's stock trading, according to data from NSE. Their cumulative market share grew during and after the Covid-19 pandemic, when global giants including Jane Street and Citadel Securities ramped up trading.

All that success for global firms, however, has often come at the expense of small investors. Nine out of 10 individual traders have been losing money from derivatives trades, according to Sebi.

The regulator released a research paper last September that said retail players lost the equivalent of \$2.1 billion from futures and options in the three years to March 2024. It also said higher trading activity was associated with a higher percentage of loss makers.

—BLOOMBERG

Open and shut case: Sebi

NESIL STANEY Mumbai, July 7

THE SECURITIES AND Exchange Board of India (Sebi) is quite confident that its interim order on Jane Street (JS) and its affiliates will pass the muster of the Securities Appellate Tribunal (SAT) and higher authorities, said sources in the know.

The US-based market maker said that JS is expected to challenge Sebi's interim order in SAT, and even Supreme Court. The firm's spokesperson on Friday said, "Jane Street disputes the findings of the Sebi interim order and will further engage with the regulator. Jane Street is committed to operating in compliance with all regulations in the regions we operate around the world."

Sebi officials, however, are confident about the order. "This is an open and shut case even for the SEC (Securities and Exchange Commission)," the source said, adding that the interim order clearly indicates investigations will continue across exchanges. "The scope here is quite large," he added.

What makes Sebi's case stronger is that the National Stock Exchange (NSE), acting under instructions from the market regulator, had advised JS in February to avoid high-risk activity in index options and refrain from any trading behaviour that could indicate manipulation. The JS Group gave assurance to the exchange, through its compliance partner Nuvama, that it will fully comply with applicable regulations.

It also appealed that there was no human intervention or malafide intent as trades were driven by algorithms. Satisfied with the reply, the NSE closed the probe on April 30.



However, in May 2025, the group again executed what appeared to be manipulative "extended marking the close" strategies—entering large, aggressive trades in index and stock markets around expiry closing—to move the index in their favour.

The index strategies on expiry days that Sebi cited were executed by at least three large algo traders, said the source close to JS. "It can also seek a regulatory settlement of the impound," he said.

Sebi's interim order impounded ₹4,844 crore—the highest ever—of unlawful gains. It also allowed the firm to continue to trade, if it deposits the impounded amount. The idea, said sources, was not to discourage making money but manipulation.

JS had earlier approached Sebi for settlement, said a fund manager at a large foreign portfolio firm (FPI). Early in June 2025, the Futures Industry Association (FIA), a trade body for futures, options and centrally cleared derivatives—with offices in London, Singapore and Washington—had approached Sebi on behalf of Jane. It had suggested a settlement, he said. At that point, Sebi continued with investigations.

Meanwhile in June, several FPI traders and large Indian proprietary traders took their complaints to finance minister Nirmala Sitharaman, and some even raised concerns with the Prime Minister's grievance cell, before Sebi's decision. The regulator has only skimmed the surface of index manipulations, said the fund manager, who added that Sebi clearly received orders from the finance ministry to take action on JS.

On Friday, Sebi barred JS entities from operations in India. In 2024, JS's India revenues exceeded \$2.3 billion. As per Sebi, Jane's ₹36,502 crore in profits between January 2023 and March 2025, includes ₹43,289 crore profits from index options and ₹7,687 crore losses in cash and futures. Jane profited hefty on January 17, 2024, booking ₹734.93 crore from a dramatically engineered move in Bank Nifty.

Comparatively, JS peers Citadel Securities India Markets earned \$344 million for the 12 months ended March 2024 and Optiver BV earned modest profits around \$300 million in calendar year 2024 from options trading in India. Other prominent firms in algo-trading and high-speed trading include IMC Trading, Flow Traders, Tower Research, Two Sigma, Jump Trading, Goldman Sachs, Hudson River and DRW.

UNTIL LATE 2024, one of the most lucrative corners of global finance was a 24-story tower southwest of New Delhi.

Home to at least a half dozen high-speed trading firms, the blue-glass building with a rooftop helipad and a bronze bull sculpture in its plaza has been the centre of a trading boom that made India the world's biggest equity derivatives market by volume. Foreign funds and proprietary traders using algorithms made \$7 billion in the 12 months to March 2024 alone.

That bonanza may be coming to an end. On July 4, nine months after markets regulator Sebi tightened restrictions on options trading to protect retail investors, it accused Jane Street Group—one of the market's biggest players—of manipulating prices to generate hundreds of millions of dollars in ill-gotten profits.

The Securities and Exchange Board of India (Sebi) imposed a temporary trading ban on Jane Street, an extraordinary move that became the talk of dealing rooms from New Delhi to Amsterdam. It also ordered the seizure of ₹4,840 crore from the US trading giant, citing illegal gains from "an intentional, well-planned and sinister scheme." Jane Street, which made more than \$4 billion from India in just over two years, has disputed Sebi's findings.

"Sebi's action against Jane Street is a watershed moment," said Sonam Srivastava, a fund manager at Wright Research. "It signals an aggressive stance against sophisticated global players potentially gaming the system."

Even before Sebi's latest announcement, several international market makers were mulling whether to proceed with planned hires and technol-

ogy investments, or to put those plans on hold if their profit-making potential is severely cramped by regulatory risks.

That's according to executives at global trading firms and people familiar with their plans who asked not to be identified discussing confidential matters. The move is also expected to put a further damper on trading, which slumped 70% in the first five months of this year.

News of the crackdown swept across global trading floors at the end of last week. Some speculated whether other foreign firms might also be in trouble, while chat groups and emails lit up at smaller trading rivals welcoming the move to rein in Jane Street. One Hong Kong trader said their phone was buzzing as soon as the headlines hit, with some people on the trading floor jumping for joy. Another trader in Amsterdam, whose phone went "haywire," said it was a huge surprise, as they hadn't expected Sebi to act.

Jane Street is one of the most active foreign players in India, and the punishment was far bigger than many expected, showing the regulator is serious about tamping down on questionable activity. After four years of unfettered market growth, officials have become uncomfortable with the out-sized profits of international firms and sophisticated traders in the options market, especially given the massive losses suffered by retail investors on the other side of the trades.

"It's a landmark order" that puts all high-frequency traders on watch, said Anant Jatia, founder and chief investment officer of Mumbai-based Greenland Investment Management. The regulator sent a clear message, he said: "You are welcome in the market, but you've got to play by the rules."

Jane Street inadvertently revealed just how lucrative the market had become during a high-profile court battle last year with hedge fund Millennium Asset Management. Jane Street's billions in profits were a source of fascination for many market players, and prompted regulators to investigate its trades.

India is an ideal market for some popular forms of high-frequency trading, where firms make numerous rapid-fire trades each day, pocketing small amounts of money by exploiting market anomalies with little risk. These modest gains can accumulate into substantial profits.

The firms' proponents say they play a vital role as market makers, helping price discovery by narrowing the bid-ask spread on trades, or the difference between the highest price a buyer is willing to pay

Jane Street started by trading exchange-traded funds, but later branched out into high-frequency trading. It's now a titan in that space

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL CHENNAI BENCH III, CHENNAI CA (CAA) 43 / (CHE) / 2025. NOTICE OF EXTRAORDINARY GENERAL MEETING. ACCEL LIMITED. Corporate Identification No. L30007TN1986PLC100219. Notice is hereby given that by an order dated the 27.06.2025 the Chennai Bench III of the National Company Law Tribunal has directed a separate meeting of the Equity shareholders, Secured Creditors and Unsecured Creditors of the Applicant/Transferee Company viz Accel Limited for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation proposed to be made between Accel Media Ventures Limited (Transferor Company) and Accel Limited and their respective shareholders ('Scheme') pursuant to the provision of Section 230 to 232 of the Companies Act, 2013 ('Companies Act') and other applicable provisions thereof and applicable rules made thereunder.

AVI POLYMERS LIMITED ("AVI"/"TARGET COMPANY"/"TC") CIN No.: L27204JH1993PLC005233. Registered Office: Ambica & Co., Old H.B. Road, Ranchi - 834009, Jharkhand. Corporate Office: - S3, Shreejaya Prime, Near Priyan Heritage, Opp. Prajapita Bhrama Kumari, Ishwariya Vishwa Vidhyalaya, Sardar Ganj, Anand, Gujarat - 388001. Contact No: +91 7048360390. Email Id: avipolymer@gmail.com. Website: https://avipolymers.com. Recommendations of the Committee of Independent Directors (CID) of AVI Polymers Limited ("AVI" or the "Target Company") under regulation 26 (7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") in relation to the Open Offer to the Public Shareholders of the Target Company made by M/s Rootsparkle Trading Private Limited (Acquirer).

ARTEMIS HOSPITALS. ARTEMIS MEDICARE SERVICES LIMITED. CIN: L85110DL2004PLC126414. Registered Office: Plot No. 14, Sector-20, Dwarka, Delhi-110075. Corporate Office: Artemis Hospital, Sector- 51, Gurugram, Haryana- 122001. Tel.: +91-124-4511 111 | E-mail: investor@artemishospitals.com | Website: www.artemishospitals.com. NOTICE OF 21st ANNUAL GENERAL MEETING AND E-VOTING INFORMATION. Notice is hereby given that the 21st Annual General Meeting (AGM) of the Members of Artemis Medicare Services Limited ("the Company") will be held on Wednesday, July 30, 2025 at 3:00 PM. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the businesses as set out in the Notice of AGM, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

