



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

By Speed Post A.D.

DEPUTY GENERAL MANAGER &
ADJUDICATING OFFICER

SEBI/NRO/P/OW/2022/13767/1
March 31, 2022

Advantage Dealtrade Pvt. Ltd.
PAN No. AAICA7805Q
31 Shiv Thakur Lane 2nd floor
Kolkata West Bengal India
Pin 700007
E-mail:- advantaged2014@gmail.com

Subject: Adjudication Proceedings in respect of Advantage Dealtrade Private Limited in the matter of dealings in Illiquid Stock Options at BSE: Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

1. The Securities and Exchange Board of India (hereinafter, referred to as "SEBI") initiated adjudication proceedings in respect of Advantage Dealtrade Private Limited (hereinafter, referred to as "Noticee"), bearing PAN: AAICA7805Q for allegedly violating Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (hereinafter, referred to as "PFUTP Regulations, 2003"), in the matter of trading in illiquid stock options on the Bombay Stock Exchange Ltd. ("BSE").
2. The undersigned was appointed as Adjudicating Officer vide order dated September 20, 2021 to inquire into and adjudge under Section 15 HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "SEBI Act"), the alleged violations by the



“हम हिन्दी पत्राचार का स्वागत करते हैं।”

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उत्तरी प्रादेशिक कार्यालय : प्लेट-बी, आठवीं मंजिल, ऑफिस टॉवर-1, एन बी सी सी कॉम्प्लेक्स, पूर्व किदवाई नगर, नई दिल्ली - 110023

Northern Regional Office : Plate-B, 8th Floor, Office Tower-1, NBCC Complex, East Kidwai Nagar, New Delhi-110023 दूरभाष (Phone) : 011 - 69012998

प्रधान कार्यालय : सेबी भवन, प्लॉट सं. सी-4 'अ', जी-ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व) मुंबई - 400051 दूरभाष (Phone) : 022 - 26449000

Head Office : SEBI Bhavan, Plot No. C-4A, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Web. : www.sebi.gov.in



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Noticee. A copy of the communiqué dated September 27, 2021 appointing the undersigned as Adjudicating Officer is placed at **Annexure A**.

3. As part of ongoing surveillance, SEBI came across large scale reversal of trades in Stock Options segment of the BSE. Subsequently, SEBI conducted an investigation into the trading activity in illiquid Stock Options at BSE (hereinafter, referred to as "investigation") for the period between April 1, 2014 to September 30, 2015 (hereinafter referred to as "Investigation Period").
4. Pursuant to investigation, it was observed that during the investigation period, a total of 2,91,744 trades comprising 81.41% of all the trades executed in BSE Stock Options Segment were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. The reversal trades involved squaring off transactions, but with significant difference in the sell value and buy value of the transactions. The aforesaid reversal trades allegedly resulted into generation of artificial volumes.
5. The Noticee was one of the entities which indulged in reversal trades which allegedly created false and misleading appearance of trading, generating artificial volumes in the Stock Options Segment of BSE during the investigation period. The Noticee is alleged to have engaged in 2 such reversal trades in 1 unique contracts, which led to generation of alleged artificial volume of 12,00,000 units. These trades of the Noticee involved reversal with the same counterparty on the same day, but at different prices. Details of all the trades of Noticee in Stock Options segment of BSE during the investigation period are given in **Annexure B**, and details of all the reversal trades of the Noticee in Stock Option Segment of BSE during investigation period are given in **Annexure C**. An analysis of dealings of the Noticee in 1 Stock Option contracts in which the said Noticee allegedly executed reversal trades during the investigation period is given in **Annexure D**.
6. The trades entered by the Noticee were reversed on the same day with same counterparties at a substantial price difference without any basis for significant change in the contract price which indicates that these trades are artificial and are non- genuine in nature





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7. A summary of dealings of Noticee in 1 Stock Option contract in which the said Noticee allegedly executed reversal trades during the investigation period, is as follows:-

Summary of dealings in contracts wherein the Noticee executed reversal trades

S. No.	Contract Name	Avg. Buy Rate (₹.)	Total Buy Volume (no. of units)	Avg. Sell Rate (₹.)	Total Sell Volume (no. of units)	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	IOBL15APR38.00CEW1	3.3	6,00,000	2.1	6,00,000	100	100

Note: "Unit" refers to lot size in contract multiplied by number of contracts traded

8. The abovementioned reversal trades and volumes are illustrated through the dealings of Noticee in the contract viz, "IOBL15APR38.00CEW1" during the investigation period, as follows:

- During the investigation period, 2 trades for 12,00,000 units were executed by the Noticee in the said contract on 26.03.2015.
- While dealing in the said contract on 26.03.2015, at 12:42:43 hrs the Noticee entered into sell trade with counter party viz, SAHUL INDIA LIMITED for 600000 units at ₹ 2.1 per unit whereas at 13:10:04 hrs the Noticee entered into buy trade with same counterparty, for 600000 units at ₹ 3.3 per unit.
- The Noticee's two trades while dealing in the above said contract during the investigation period allegedly generated artificial volume of 12,00,000 units, which made up 100% of total market volume in the said contract during this period.





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9. In view of the foregoing, it is alleged that Noticee, by indulging in execution of non-genuine reversal of trades in Stock Options with same entities on the same day, created false and misleading appearance of trading in stock options and therefore allegedly violated Regulation 3(a),(b),(c),(d), 4(1), 4(2)(a) of PFUTP Regulations, 2003.
10. The aforesaid alleged violations, if established, make the Noticees liable for monetary penalty under section 15HA of the SEBI Act.
11. You are, therefore, called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15-I of the SEBI Act, and why penalty should not be imposed in terms of section 15HA of the SEBI Act.
12. Your reply, if any, should reach the undersigned at the address given below as well as through email at rakeshk@sebi.gov.in and chandasp@sebi.gov.in within 21 days from the date of receipt of this Notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of sub-rule (7) of Rule (4) of the Adjudication Rules. You may also indicate whether you desire a personal hearing in the matter

Securities and Exchange Board of India
Northern Regional Office,
8th floor, Plate B, Tower 1,
NBCC Complex
East Kidwai Nagar, New Delhi - 110023.

13. Further, you are required to keep the undersigned informed about the change in your correspondence address, if any, till the conclusion of the proceedings. You are also required to submit a photocopy of your PAN card and contact details viz. Telephone numbers / Fax numbers / e-mail IDs and details of contact persons for records.



RAKESH KUMAR
ADJUDICATING OFFICER





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Enclosures: Documents relied upon are as follows:-

Annexure	Copy of relevant documents enclosed with this SCN	No. of pages
A	Communique dated September 27, 2021 appointing Adjudicating Officer	3
B	Integrated trade log of all trades of Noticee in Stock Option segment of BSE during the investigation period i.e., April 1, 2014 to September 30, 2015	2
C	Integrated trade log of all reversal trades of Noticee in Stock Option segment of BSE during the investigation period	2
D	Summary of dealings of Noticee in 1 Stock Option contract in which Noticee allegedly executed reversal trades during the investigation period	1



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SECURITIES AND EXCHANGE BOARD OF INDIA
Order communicating appointment of Adjudicating Officer

1. Whereas, Securities and Exchange Board of India (SEBI) has conducted examination into the trading in options on individual stocks listed on Bombay Stock Exchange for possible violation of the provisions of the securities and Exchange Board of India Act, 1992 (hereinafter referred to as the 'SEBI Act') and various Rules and Regulations made there under.
2. Whereas, the Competent Authority is *prima facie* of the view that there are grounds to adjudicate upon the alleged violations of provisions of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 by certain entities.
3. The Competent Authority has, therefore, in exercise of the powers conferred under Section 19 of the SEBI Act read with Section 15 I(1) of the SEBI Act and Rule 3 of securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("hereinafter referred as the 'SEBI Rules') read with section 19 of the SEBI Act, vide Order dated September 20, 2021, appointed certain Division Chiefs as Adjudicating Officers to enquire into and adjudge under Section 15HA SEBI Act, the alleged violations by the entities.
4. The list of the entities against whom adjudication is approved and the names of the respective Adjudicating Officers who are appointed to adjudicate against these entities is enclosed as **Annexure**.
5. The said proceedings of appointment are hereby being communicated to the Adjudicating Officers who shall conduct the Adjudication Proceedings in the manner specified under Rule 4 of the of the SEBI Rules read with sub-section (1) and (2) of Section 15 I of SEBI Act.

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6. The Adjudicating Officers shall enquire into and adjudicate upon the alleged violation as stated above and if the Adjudicating Officers are satisfied that the entities have become liable for penalty, may impose penalty, as they think fit, in terms of Rule 5 of the SEBI Rules and provisions of Sections 15HA of the SEBI Act.

Dated at Mumbai, this 27th day September 2021.


BHAVANA RAVIKUMAR
GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

S.No	NAME	PAN
1	Advantage Dealtrade Pvt. Ltd	AAICA7805Q

[illegible]

[illegible]

*	ADPL	ADPL
sno	132118	132119
TRADE_DATE	26/03/2015	26/03/2015
SCRIPCODE	874116	874116
clnt_pan	AADCS7349J	AAICA7805Q
clnt_name	SAHUL INDIA LIMITED	ADVANTAGE DEALTRADE PRIVATE LIMITED
cp_pan	AAICA7805Q	AADCS7349J
cp_name	ADVANTAGE DEALTRADE PRIVATE LIMITED	SAHUL INDIA LIMITED
ORDER_NO	1427341500145022000	1427341500145022003
CP_ORDER_NO	1427341500145022001	1427341500145022002
TRADEID	38653	49085
ORDER_TIME	12:42:42.448707	13:10:04.731053
CP_ORDER_TIME	12:42:43.097708	13:10:04.069796
TRADE_TIME	12:42:43.097708	13:10:04.731053
ORDER_LMTIME	12:42:42.448707	13:10:04.731053
CP_ORDER_LMTIME	12:42:43.097708	13:10:04.069796
TRADE_RATE	2.1	3.3
LTP_RATE		1.2
LTP_PERCENT		57.14
TRADE_VALUE	24060000	24780000
ORDER_RATE	2.1	3.3
CP_ORDER_RATE	2.1	3.3
ORDER_LMRATE	2.1	3.3
CP_ORDER_LMRATE	2.1	3.3
ORDER_LTP		3.3
CP_ORDER_LTP	2.1	2.1
TRADED_QTY	600000	600000
ORDER_QTY	600000	600000
CP_ORDER_QTY	600000	600000
ORDER_AVLQTY	600000	600000
CP_ORDER_AVLQTY	600000	600000
ORDER_LMQTY	600000	600000
CP_ORDER_LMQTY	600000	600000
MEMBER_NO	6533	6132
MEMBER_NAME	SONA GLOBAL LTD.	JRK STOCK BROKING PVT.LTD.
OLD_CLIENT		
MODIFIED_CLIENT	H0656	A0221
CP_MEMBER_NO	6132	6533
CP_MEMBER_NAME	JRK STOCK BROKING PVT.LTD.	SONA GLOBAL LTD.
CP_OLD_CLIENT		
CP_MODIFIED_CLIENT	A0221	H0656
TERMINALID	2	201
USER_NAME	Soma Naha	BIRENDRA KUMAR JAIN
LOCATION_ADDRESS	9, James Hicky KOLKATA WEST	1 OLD COURT HOUSE CORNER 3RD FLOOR ROOM NO 301 TOBACCO HOUSE KOLKATA WEST BENGAL 700001

CP_TERMINALID	201	2
CP_USER_NAME	BIRENDRA KUMAR JAIN	Soma Naha
CP_LOCATION_ADDRESS	1 OLD COURT HOUSE CORNER	9, James Hicky KOLKATA WEST BENGAL 700069
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000690002002099	7000010001004001
CP_LOCATIONID	7000010001004001	7000690002002099
SCRIPNAME	IOBL15APR38.00CEW1	IOBL15APR38.00CEW1
EXPIRY	2015-04-01	2015-04-01
STRIKEPRICE	3800	3800
SERIES	EQD	EQD
MKT_TYPE	N	N
ISIN_NO		
rqty	600000	600000

Index	0
clnt_pan	AAICA7805Q
scripname	IOBL15APR38.00CEW1
buy_quantity	600000
buy_value	1980000
avg_buy_rate	3.3
sell_qty	600000
sell_value	1260000
avg_sell_rate	2.1
non_gen_trnx_entity_cntrct	2
total_trd_entity_cntrct	2
total_no_of_trades_of_the_cntrct	2
art_vol_gen_entity_in_the_cntrct	1200000
total_vol_gen_by_entity_in_the_cntrct	1200000
total_vol_in_the_contract	1200000
prcnt_of_non_gen_trds_entity_total_trds_in_cntrct_entity	100
prcnt_of_non_gen_trds_entity_total_trds_in_cntrct	100
prcnt_of_art_vol_gen_entity_cntrct_total_vol_gen_by_entity_in_cntrct	100
prcnt_of_art_vol_gen_entity_cntrct_total_vol_in_cntrct	100