



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

ADJUDICATING OFFICER

Enquiries and Adjudication Department

Through Email and SPAD

SEBI/HO/EAD1/SBM/AK/ 32562 /2021

November 15, 2021

MR. AMITKUMAR SAMARNATH YADAV

PAN: ADZPY6811D

RAMDEV YADAV CHAWL NO8,
SNT.KABIR MRG 297 LAST BUS STOP,
SHANTI NGR KOKANI PADA DAHISAR E,
MUMBAI MAHARASHTRA - 400068

Email: amity606@gmail.com

Notice under Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide communiqué dated July 27, 2021 (**Annexure-A**), appointed the undersigned as Adjudicating Officer (hereinafter referred to as 'AO') under Section 19 read with Section 15-I(1) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act, the violation of the relevant provisions of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices related to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'), alleged to have been committed by Mr. Amitkumar Samarnath Yadav (hereinafter referred to as 'Noticee') by carrying out non-genuine trades in illiquid stock options at Bombay Stock Exchange (BSE).
2. SEBI observed large scale reversal of trades in Stock Options segment of BSE leading to creation of artificial volume. Pursuant to the same, SEBI conducted an investigation

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.बी.आर. एक्स.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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into the trading activities of certain entities in illiquid Stock Options at BSE for the period April 01, 2014 to September 30, 2015 (hereinafter referred to as 'Investigation Period'/'relevant period').

3. It may be noted that reversal trades are considered non-genuine trades if it involves an entity reversing its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. In this regard, artificial volume is considered as the volume (no. of units) reversed in non-genuine trades, comprising both original volume and reversed volume while keeping out the volume which is not reversed.
4. Pursuant to the investigation, it is alleged that, during the investigation period, a total of 2,91,643 trades comprising substantial 81.38% of all the trades executed by various entities in Stock Options Segment of BSE were non-genuine trades. The aforesaid alleged non genuine trades resulted into creation of artificial volume to the tune of 826.21 crore units or 54.68% of the total market volume in Stock Options segment of BSE during the Investigation period.
5. It is further noted that said alleged non-genuine trades were not restricted to any specific contract or between any specific set of entities. It is noted that Noticee was one of the various persons/ entities which were indulged in execution of such alleged non-genuine trades in Stock Options Segment of BSE during the Investigation period. Following points deals with the dealings of Noticee during the Investigation period and allegations against his execution of non-genuine trades.
6. For the purpose of illustration of non-genuine trades and creation of artificial volume by the Noticee, details of trading done by the Noticee in the contract viz. "VOLT15MAR235.00CE" on March 23, 2015 is given below:



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Date	Buyer	Seller	Buy Order Time	Sell Order Time	Trade Time	Trade Rate (Rs.)	Trade Quantity
23/03/2015	N M IMPEX PVT LTD	AMIT S YADAV	12:07:18	12:07:19	12:07:19	25.1	44000
23/03/2015	AMIT S YADAV	N M IMPEX PVT LTD	12:26:41	12:26:42	12:26:42	42.9	44000

7. It is observed from the table above that the trades entered by the Noticee in the contract of "VOLT15MAR235.00CE" on March 23, 2015, with the counterparty viz. N M Impex Pvt Ltd were reversed between the Noticee and the same counterparty on the same day resulting in reversal of trades which are, *prima facie*, considered to be as non-genuine. Therefore, in the process, artificial volume in the stock option contract at BSE has been generated by the Noticee through such non-genuine trades. From the table above, it is observed that the artificial volume created as no. of units reversed in non-genuine trades is 88,000 units comprising both volume of initial trade and volume of reversal trade while not considering the volume which is not reversed. In the process, it is observed that the Noticee had a loss of Rs. 7,83,200.
8. It is further observed from the trade data of the Noticee that he has allegedly entered into non-genuine trades in 2 contracts wherein he executed a total of 5 trades all of which were, *prima facie*, non-genuine trades. In view of this, it is alleged that such fraudulent trades of the Noticee had resulted into creation of artificial volume of total 1,88,000 units.
9. In this regard, details of all the alleged non-genuine trades of the Noticee in Stock Option Segment of BSE during relevant period are attached as **Annexure B**. From the perusal of the trade data of the alleged non-genuine trades of the Noticee, it is observed that Noticee has allegedly executed non-genuine trades in 2 contracts. The total volume of 1,88,000 units generated by the Noticee in the said 2 contracts, due to his alleged non-genuine trades artificial volume was generated by the Noticee in the stock option segment of BSE. These alleged non-genuine



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trades, executed by Noticee in above contracts, had significant differential in buy rates and sell rates considering that the trades were reversed on same day.

10. Further, summary of dealings of Noticee in 2 Stock Options contracts in which he had allegedly executed non genuine trades during the relevant period is enclosed as **Annexure C**. The details of artificial volume generated by the Noticee through the alleged Non- Genuine trades are mentioned in the table below:

S. No.	Contract Name	Avg. Buy Rate (₹)	Total Buy Volume (no. of units)	Avg. Sell Rate (₹)	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
1	ADEL15MAR660.00PE	69.3	50000	40.5	50000	100	10.34	100	9.74
2	VOLT15MAR235.00CE	42.9	44000	25.1	44000	100	3.77	100	3.93

11. In view of the foregoing, it is alleged that the Noticee, by indulging in execution of reversal trades in Stock Options with same entities on the same day, which were non-genuine in nature, has created false or misleading appearance of trading in the aforementioned contracts traded in the option segment of BSE. In view of the fact that these options contracts were illiquid in nature, having very small volume in trading, the Noticee allegedly created artificial volumes in stock options which was manipulative and deceptive in nature. Therefore, in view of above, it is alleged that the Noticee has violated Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003. The text of aforementioned provisions of law is being reproduced below:

PFUTP Regulations



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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;*

12. The alleged violation of the aforementioned provisions of the PFUTP Regulations, if proved, makes the Noticee liable for penalty under the provisions of Section 15HA of the SEBI Act. The text of the said provisions is reproduced below:



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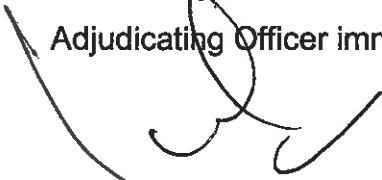
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SEBI Act

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.*

13. In view of the above, the Noticee is required to Show Cause as to why an inquiry should not be held against him in terms of Rule 4 of 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, if any, should not be imposed on him under the provisions of Section 15HA of the SEBI Act.
14. Your reply, along with supporting enclosures and documents, should reach the undersigned at the address mentioned below as well as through email at sureshm@sebi.gov.in and avinashk@sebi.gov.in in pdf and MS Word format within 15 (fifteen) days from the date of receipt of this notice, failing which it shall be presumed that you have no submissions to make, in which case, the matter shall be proceeded with on the basis of material/facts on record. You may also indicate in your reply if you desire a personal hearing in the matter. You are also required to submit a copy of your PAN Card and your contact details (contact person, phone number, email details, fax etc.) for our records. Further, in case there is any change in your address or contact details during the period of the current Adjudication Proceedings, the same may be brought to the notice of the Adjudicating Officer immediately.


SURESH B. MENON



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Enclosures:

Annexure A: Copy of the Appointment Order dated July 27, 2021.

Annexure B: Trade log depicting all non-genuine trades of Noticee in Stock Option segment of BSE during investigation period

Annexure C: Summary of dealings of Noticee in contracts wherein he executed non-genuine trades

Annexure 1

Amit S Yadav

SECURITIES AND EXCHANGE BOARD OF INDIA

Communication of the Order appointing Adjudicating Officer

1. Whereas, Securities and Exchange Board of India (SEBI) has examined trading in the scrip of Illiquid Stock Options at BSE 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 Regulations 3 (a), (b), (c), (d), and Regulations 4 (1), 4 (2) (a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, by the entities mentioned at Annexure A.
3. The Competent Authority has, therefore, in exercise of the powers conferred upon her under Section 19 of the SEBI Act, 1992 ("SEBI Act") read with Section 15-I(1) of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("hereinafter referred as the 'SEBI Rules'") read with Section 19 of the SEBI Act appointed Shri Suresh B. Menon, Chief General Manager, Shri G. Ramar, Chief General Manager, Ms. Maninder Cheema, Chief General Manager, Shri Prasanta Mahapatra, Chief General Manager, Shri Vijayant Kumar Verma, General Manager and Ms. Soma Majumder, General Manager as Adjudicating Officers vide Order dated June 21, 2021 to enquire into and adjudicate under Sections 15HA SEBI Act, 1992 for alleged violations by the Noticees as mentioned at Para 2 above. The list of the entities against whom adjudication is approved and the names of the Adjudicating Officers who are appointed to adjudicate against respective entities are listed in Annexure A.
4. The said proceedings of appointment are hereby 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. 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 to penalty, may impose penalty, as they think fit, in terms of Rule 5 of the SEBI Rules and provisions of Sections 15 HA of the SEBI Act.

Dated at Mumbai, this 27th day of July 2021.



**ROBIN JOSEPH BABY
DEPUTY GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA**

261	210011786	AAOHA2753G	AMIT KUMAR SARAOGI HUF	TV Bala	Suresh B Menon
262	210013335	ACIPT9091J	AMIT MAHENDRA TONGA	TV Bala	Suresh B Menon
263	210014477	ADUPR1890E	AMIT PUKHRAJ RATHOD	TV Bala	Suresh B Menon
264	210014617	ADZPY6811D	AMIT S YADAV	TV Bala	Suresh B Menon
265	210017375	APQPS6580Q	AMIT SANGHI	TV Bala	Suresh B Menon
266	210010689	AAJHA0268F	AMIT SANGHI HUF	TV Bala	Suresh B Menon
267	210011415	AAMHA5402Q	AMIT SHARMA HUF	TV Bala	Suresh B Menon
268	210010944	AAKHA5540F	AMIT SHUKLA HUF	TV Bala	Suresh B Menon
269	210018190	BDSPS1662N	AMIT SINGH	TV Bala	Suresh B Menon
270	210010134	AAHHA8420R	AMIT SURI (HUF)	TV Bala	Suresh B Menon
271	210014861	AENPV3391Q	AMIT VAGHAJI VORA	TV Bala	Suresh B Menon
272	210011419	AAMHA8190H	AMIT VAGHAJI VORA (HUF)	TV Bala	Suresh B Menon
273	210013302	ACIPA3846Q	AMITA AGRAWAL	TV Bala	Suresh B Menon
274	210006398	AAAPB2585M	AMITA BHALLA	TV Bala	Suresh B Menon
275	210016252	AIHPB0016E	AMITA DUGAR	TV Bala	Suresh B Menon
276	210016140	AHSPG6109K	AMITA GARG	TV Bala	Suresh B Menon
277	210010439	AAIHA5651D	AMITABH RAJGARHIA HUF	TV Bala	Suresh B Menon
278	210009751	AAGHA8118K	AMITABH TEJAS HUF	TV Bala	Suresh B Menon
279	210011782	AAOHA2389C	AMITESH TAPARIA	TV Bala	Suresh B Menon
280	210008301	AADHA4191B	AMOD KRISHNA HUF	TV Bala	Suresh B Menon
281	210009648	AAGCA6792A	AMPLE TRACOM PRIVATE LIMITED	TV Bala	Suresh B Menon
282	210009220	AAFCA7873F	AMRIT MEDICENTRE PRIVATE LIMITED	TV Bala	Suresh B Menon
283	210018058	AZYPK1802B	AMRITA KABRA	TV Bala	Suresh B Menon

ANNEXURE 2
AMIT S YADAV

sno	113386	113410	117972	117995	117996
TRADE_DATE	23/03/2015	23/03/2015	24/03/2015	24/03/2015	24/03/2015
SCRIPCODE	826220	826220	826622	826622	826622
clnt_pan	AABCN0541M	ADZPY6811D	AABCN0541M	ADZPY6811D	ADZPY6811D
clnt_name	N M IMPEX PVT LTD	AMIT S YADAV	N M IMPEX PVT LTD	AMIT S YADAV	AMIT S YADAV
cp_pan	ADZPY6811D	AABCN0541M	ADZPY6811D	AABCN0541M	AABCN0541M
cp_name	AMIT S YADAV	N M IMPEX PVT LTD	AMIT S YADAV	N M IMPEX PVT LTD	N M IMPEX PVT LTD
ORDER_NO	1427089884917002000	1427089884917002078	1427172860692003000	1427172860692003054	1427172860692003056
CP_ORDER_NO	1427089884917002005	1427089884917002079	1427172860692003001	1427172860692003055	1427172860692003057
TRADEID	10748	11877	19698	22533	23568
ORDER_TIME	12:07:18.716949	12:26:41.859666	12:00:46.156489	12:14:17.975730	12:14:27.376256
CP_ORDER_TIME	12:07:19.342878	12:26:42.181599	12:00:47.592590	12:14:18.277715	12:14:27.578290
TRADE_TIME	12:07:19.342878	12:26:42.181599	12:00:47.592590	12:14:18.277715	12:14:27.578290
ORDER_LMTIME	12:07:18.716949	12:26:41.859666	12:00:46.156489	12:14:17.975730	12:14:27.376256
CP_ORDER_LMTIME	12:07:19.342878	12:26:42.181599	12:00:47.592590	12:14:18.277715	12:14:27.578290
TRADE_RATE	25.1	42.9	40.5	69.25	69.35
LTP_RATE	0.0	0.05	0.0	-1.35	0.1
LTP_PERCENT	0.0	0.12	0.0	-1.91	0.14
TRADE_VALUE	11444400.0	12227600.0	35025000.0	18231250.0	18233750.0
ORDER_RATE	25.1	42.9	40.5	69.25	69.35
CP_ORDER_RATE	24.8	42.9	40.1	69.25	69.35
ORDER_LMRATE	25.1	42.9	40.5	69.25	69.35

CP_ORDER_LMR ATE	24.8	42.9	40.1	69.25	69.35
ORDER_LTP		42.85		69.2	69.25
CP_ORDER_LTP	25.1	42.9	40.5	69.25	69.35
TRADED_QTY	44000	44000	50000	25000	25000
ORDER_QTY	1042000	44000	513500	25000	25000
CP_ORDER_QTY	44000	44000	50000	25000	25000
ORDER_AVLQTY	1042000	44000	513500	25000	25000
CP_ORDER_AVL QTY	44000	44000	50000	25000	25000
ORDER_LMQTY	1042000	44000	513500	25000	25000
CP_ORDER_LMQ TY	44000	44000	50000	25000	25000
MEMBER_NO	5156	4029	5156	4029	4029
MEMBER_NAME	MOUSUMI DEB ROY	ODYSSEY SECURITIES PVT. LTD	MOUSUMI DEB ROY	ODYSSEY SECURITIES PVT. LTD	ODYSSEY SECURITIES PVT. LTD
OLD_CLIENT					
MODIFIED_CLIE NT	JA09	BS01038	JA09	BS01038	BS01038
CP_MEMBER_N O	4029	5156	4029	5156	5156
CP_MEMBER_N AME	ODYSSEY SECURITIES PVT. LTD	MOUSUMI DEB ROY	ODYSSEY SECURITIES PVT. LTD	MOUSUMI DEB ROY	MOUSUMI DEB ROY
CP_OLD_CLIENT					
CP_MODIFIED_C LIENT	BS01038	JA09	BS01038	JA09	JA09
TERMINALID	902	902	902	902	902
USER_NAME	SUBHENDU SAHA	SANJAY BANSAL	SUBHENDU SAHA	SANJAY BANSAL	SANJAY BANSAL

LOCATION_ADD RESS	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001
CP_TEMINALID	902	902	902	902	902
CP_USER_NAME	SANJAY BANSAL	SUBHENDU SAHA	SANJAY BANSAL	SUBHENDU SAHA	SUBHENDU SAHA
CP_LOCATION_A DDRESS	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001
ORDER_AUD	A	A	A	A	A
CP_ORDER_AUD	A	A	A	A	A
ORDER_TYPE	L	L	L	L	L
CP_ORDER_TYPE	L	L	L	L	L
LOCATIONID	7000010001002 012	70000100010 01012	70000100010 02012	70000100010 01012	70000100010 01012
CP_LOCATIONID	7000010001001 012	70000100010 02012	70000100010 01012	70000100010 02012	70000100010 02012
SCRIPNAME	VOLT15MAR235. 00CE	VOLT15MAR2 35.00CE	ADEL15MAR6 60.00PE	ADEL15MAR6 60.00PE	ADEL15MAR6 60.00PE
EXPIRY	2015-03-26	2015-03-26	2015-03-26	2015-03-26	2015-03-26
STRIKEPRICE	23500.0	23500.0	66000.0	66000.0	66000.0
SERIES	EQD	EQD	EQD	EQD	EQD
MKT_TYPE	N	N	N	N	N
ISIN_NO					
rqty	44000	44000	50000	25000	25000

ANNEXURE 3

AMITKUMAR S YADAV

Index	clnt_psn	scripname	buy_quantity	buy_value	avg_buy_rate	sell_qty	sell_value	avg_sell_rate	non_gen_trx_entity_y_contract	total_trd_entity_contract	total_no_of_trades_of_the_contract	art_vol_in_the_contract	total_vol_gen_entity_in_the_contract	total_vol_in_the_contract	prcnt_of_non_gen_trds_in_contract	prcnt_of_non_gen_trds_in_contract	prcnt_of_art_vol_gen_entity_contract	prcnt_of_art_vol_gen_entity_contract
	ADZPY681	ADL15M PE	50000	3465000	69.3	50000	2025000	40.5	3	3	29	100000	100000	1027000	100	10.34		9.74
	ADZPY681	VOLT15M AR235.00 CE	44000	1887600	42.9	44000	1104400	25.1	2	2	53	88000	88000	2238000	100	3.77		3.93

