



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/2022/13113/1
March 30, 2022

ADVENT COMMOSALES PRIVATE LIMITED

PAN No. AAICA4467G

284, B.B.Ganguly Street,

Ground Floor Kolkata

West Bengal India

Pin - 700012

E-mail:- advantaged2014@gmail.com

Subject: Adjudication Proceedings in respect of Advent Commosales 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 Advent Commosales Private Limited (hereinafter, referred to as "Noticee"), bearing PAN: AAICA4467G 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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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 65,000 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.
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:-





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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 Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	ACCL15APR1590.00PE	61	32500	38	32500	100	5.2

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, "ACCL15APR1590.00PE" during the investigation period, as follows:

- (a) During the investigation period, 2 trades for 65000 units were executed by the Noticee in the said contract on 31.03.2015.
- (b) While dealing in the said contract on 31.03.2015, at 10:20:21 hrs the Noticee entered into buy trade with counter party viz, STEEL CRACKERS PRIVATE LIMITED for 32500 units at ₹ 61 per unit whereas at 10:20:45 hrs the Noticee entered into sell trade with same counterparty, for 32500 units at ₹ 38 per unit.
- (c) The Noticee's two trades while dealing in the above contract during the investigation period allegedly generated artificial volume of 65,000 units, which made up 5.2% 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 chanddas@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 July 06, 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.

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

BHAVANA RAVIKUMAR

GENERAL MANAGER

SECURITIES AND EXCHANGE BOARD OF INDIA

*	ACPL	ACPL
S. No.	140663	140669
TRADE_DATE	31/03/2015	31/03/2015
SCRIPTCODE	829212	829212
PANNO	AAICA4467G	AADCS6663F
CLIENTNAME	ADVENT COMMOSALES PRIVATE LIMITED	STEEL CRACKERS PRIVATE LIMITED
CP_PANNO	AADCS6663F	AAICA4467G
CP_CLIENTNAME	STEEL CRACKERS PRIVATE LIMITED	LIMITED
ORDER_NO	1427776320663004012	1427776320663004017
CP_ORDER_NO	1427776320663004010	1427776320663004014
TRADEID	2598	3390
ORDER_TIME	10:20:21.301754	10:20:45.625236
CP_ORDER_TIME	10:20:20.923741	10:20:45.449192
TRADE_TIME	10:20:21.301754	10:20:45.625236
ORDER_LMTIME	10:20:21.301754	10:20:45.625236
CP_ORDER_LMTIME	10:20:20.923741	10:20:45.449192
TRADE_RATE	61	38
LTP_RATE	0	0
LTP_PERCENT	0	0
TRADE_VALUE	53657500	52910000
ORDER_RATE	61	38
CP_ORDER_RATE	61	38
ORDER_LMRATE	61	38
CP_ORDER_LMRATE	61	38
ORDER_LTP	61	38
CP_ORDER_LTP	61	61
TRADED_QTY	32500	32500
ORDER_QTY	32500	97500
CP_ORDER_QTY	97500	32500
ORDER_AVLQTY	32500	97500
CP_ORDER_AVLQTY	97500	32500
ORDER_LMQTY	32500	97500
CP_ORDER_LMQTY	97500	32500
MEMBER_NO	6551	6587
MEMBER_NAME	GIRIRAJ STOCK BROKING PVT. LTD.	CONCORD VINIMAY PVT. LTD.
OLD_CLIENT		
MODIFIED_CLIENT	A299	S058
CP_MEMBER_NO	6587	6551
CP_MEMBER_NAME	CONCORD VINIMAY PVT. LTD.	GIRIRAJ STOCK BROKING PVT. LTD.
CP_OLD_CLIENT		
CP_MODIFIED_CLIENT	S058	A299
TERMINALID	902	902
USER_NAME	Vinay Jajodia	AMIT JAJODIA
LOCATION_ADDRESS	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001
CP_TERMINALID	902	902
CP_USER_NAME	AMIT JAJODIA	Vinay Jajodia

CP_LOCATION_ADDRESS	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000070001001012	7000010001001012
CP_LOCATIONID	7000010001001012	7000070001001012
SCRIPNAME	ACCL15APR1590.00PE	ACCL15APR1590.00PE
EXPIRY DATE	2015-04-30	2015-04-30
STRIKEPRICE	159000	159000
SERIES	EQD	EQD
MKT_TYPE	N	N
ISIN_NO		

*	ACPL	ACPL
sno	140663	140669
TRADE_DATE	31/03/2015	31/03/2015
SCRIPCODE	829212	829212
clnt_pan	AAICA4467G	AADCS6663F
clnt_name	ADVENT COMMOSALES PRIVATE LIMITED	STEEL CRACKERS PRIVATE LIMITED
cp_pan	AADCS6663F	AAICA4467G
cp_name	STEEL CRACKERS PRIVATE LIMITED	ADVENT COMMOSALES PRIVATE LIMITED
ORDER_NO	1427776320663004012	1427776320663004017
CP_ORDER_NO	1427776320663004010	1427776320663004014
TRADEID	2598	3390
ORDER_TIME	10:20:21.301754	10:20:45.625236
CP_ORDER_TIME	10:20:20.923741	10:20:45.449192
TRADE_TIME	10:20:21.301754	10:20:45.625236
ORDER_LMTIME	10:20:21.301754	10:20:45.625236
CP_ORDER_LMTIME	10:20:20.923741	10:20:45.449192
TRADE_RATE	61	38
LTP_RATE	0	0
LTP_PERCENT	0	0
TRADE_VALUE	53657500	52910000
ORDER_RATE	61	38
CP_ORDER_RATE	61	38
ORDER_LMRATE	61	38
CP_ORDER_LMRATE	61	38
ORDER_LTP	61	38
CP_ORDER_LTP	61	61
TRADED_QTY	32500	32500
ORDER_QTY	32500	97500
CP_ORDER_QTY	97500	32500
ORDER_AVLQTY	32500	97500
CP_ORDER_AVLQTY	97500	32500
ORDER_LMQTY	32500	97500
CP_ORDER_LMQTY	97500	32500
MEMBER_NO	6551	6587
MEMBER_NAME	GIRIRAJ STOCK BROKING PVT. LTD.	CONCORD VINIMAY PVT. LTD.
OLD_CLIENT		
MODIFIED_CLIENT	A299	S058
CP_MEMBER_NO	6587	6551
CP_MEMBER_NAME	CONCORD VINIMAY PVT. LTD.	GIRIRAJ STOCK BROKING PVT. LTD.
CP_OLD_CLIENT		
CP_MODIFIED_CLIENT	S058	A299
TERMINALID	902	902
USER_NAME	Vinay Jajodia	AMIT JAJODIA

LOCATION_ADDRESS	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001
CP_TERMINALID	902	902
CP_USER_NAME	AMIT JAJODIA	Vinay Jajodia
CP_LOCATION_ADDRESS	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001	190, JAMUNA LAL BAJAJ STREET KOLKATA WEST BENGAL 700007
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000070001001012	7000010001001012
CP_LOCATIONID	7000010001001012	7000070001001012
SCRIPNAME	ACCL15APR1590.00PE	ACCL15APR1590.00PE
EXPIRY	2015-04-30	2015-04-30
STRIKEPRICE	159000	159000
SERIES	EQD	EQD
MKT_TYPE	N	N
ISIN_NO		
rqty	32500	32500

Index	0
clnt_pan	AAICA4467G
scripname	ACCL15APR1590.00PE
buy_quantity	32500
buy_value	1982500
avg_buy_rate	61
sell_qty	32500
sell_value	1235000
avg_sell_rate	38
non_gen_trnx_entity_cntrct	2
total_trd_entity_cntrct	2
total_no_of_trades_of_the_cntrct	24
art_vol_gen_entity_in_the_cntrct	65000
total_vol_gen_by_entity_in_the_cntrct	65000
total_vol_in_the_contract	1251000
prcnt_of_non_gen_trds_entity_total_trds_in_cntrct_entity	100
prcnt_of_non_gen_trds_entity_total_trds_in_cntrct	8.33
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	5.2

Sr.No	Name	PAN
1	ADVENT COMMOSALES PRIVATE LTD	AAICA4467G