



By Speed Post A.D.

GENERAL MANAGER & ADJUDICATING OFFICER

SEBI/HO/DEPA-III/DEPA-III-SSU/P/OW/2021/0000015187/1

July 14, 2021

Vikram Anand HUF, [PAN: AAJHV0926R]
1602, Tower 15, Close South Nirvana Country,
South City 2,
Gurgaon – 122018,
Haryana,
India

Subject: Adjudication Proceedings in respect of Vikram Anand HUF 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. Securities and Exchange Board of India (hereinafter, referred to as “SEBI”) has initiated adjudication proceedings in respect of Vikram Anand HUF (hereinafter, referred to as “Noticee”), bearing PAN – AAJHV0926R, 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 April 30, 2021, to enquire 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 Noticee. A copy of the communiqué dated June 28, 2021 appointing the undersigned as Adjudicating Officer is placed at **Annexure A**.

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



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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 2,91,643 trades comprising 81.38% 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 in the Stock Options Segment of BSE during the investigation period. The Noticee is alleged to have engaged in 2 such trades in 1 unique contract, which led to generation of alleged artificial volume of 46,000 units (details at table 1 below). These trades of the Noticee involved reversal with the same counterparty on the same day, but at different prices. Details of the trades of Noticee in Stock Options segment of BSE during the investigation period are given in **Annexure B**. An analysis of dealings of the Noticee in 1 Stock Options contracts in which the said Noticee allegedly executed reversal trades during the investigation period is given in **Annexure C**.
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 Options contract in which the said Noticee allegedly executed reversal trades during the investigation period, is as follows:



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Table1: 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)	Total Number of Volume Generated	% 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	DABU15APR220.00CE	26	23,000	36.25	23,000	46,000	100	4.80

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 one contract viz., "DABU15APR220.00CE" during the investigation period, as follows:
 - (a) During the investigation period, 2 trades for 46,000 units were executed by the Noticee in the said contract on 28/04/2015.
 - (b) While dealing in the said contract on 28/04/2015, at 13:48:56.984474 hrs the Noticee entered into a buy trade with counterparty N M Impex Private Limited for 23,000 units at ₹26 per unit. At 14:03:01.190658 hrs the Noticee entered into a sell trade with the same counterparty, for 23,000 units at ₹36.25 per unit.
 - (c) The Noticee's two trades while dealing in the above said contract during the investigation period allegedly generated artificial volume of 46,000 units, which made up 4.80% of total market volume in the said contract during this period.
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 section 15HA of the SEBI Act.

[Signature]



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12. Your reply, if any, should reach the undersigned through mail at the address given in the letterhead or through email at prabhasr@sebi.gov.in and tathagatab@sebi.gov.in within 14 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.
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.
14. The Noticee may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulation, 2018. If the Noticee wishes to opt for the settlement process, the Noticee may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, the Noticee may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.


14.7.2021
PRABHAS RATH
ADJUDICATING OFFICER

Enclosures: Documents relied upon are as follows:

Annexure	Copy of relevant documents enclosed with this SCN	No. of pages
A	Communique dated June 28, 2021 appointing Adjudicating Officer	4
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	1
C	Summary of dealings of Noticee in 1 Stock Options contract in which Noticee allegedly executed reversal trades during the investigation period	1

Annexure B

S. No.	168458	168461
TRADE DATE	28/04/2015	28/04/2015
SCRIPCODE	841322	841322
PANNO	AAJHV0926R	AABCN0541M
CLIENTNAME	VIKRAM ANAND HUF	N M IMPEX PRIVATE LIMITED
CP PANNO	AABCN0541M	AAJHV0926R
CP CLIENTNAME	N M IMPEX PRIVATE LIMITED	VIKRAM ANAND HUF
ORDER NO	1430209089370001011	1430209089370001041
CP ORDER NO	1430209089370001015	1430209089370001040
TRADEID	12862	13178
ORDER TIME	13:48:56.984474	14:03:01.190658
CP ORDER TIME	13:48:57.573153	14:03:00.890706
TRADE TIME	13:48:57.573153	14:03:01.190658
ORDER LMTIME	13:48:56.984474	14:03:01.190658
CP ORDER LMTIME	13:48:57.573153	14:03:00.890706
TRADE RATE	26	36.25
LTP RATE	0	0.15
LTP PERCENT	0	0.42
TRADE VALUE	5658000	5893750
ORDER RATE	26	36.25
CP ORDER RATE	26	36.25
ORDER LMRATE	26	36.25
CP ORDER LMRATE	26	36.25
ORDER LTP	100000	36.25
CP ORDER LTP	34	36.2
TRADED_QTY	23000	23000
ORDER_QTY	23000	23000
CP ORDER_QTY	379000	23000
ORDER AVLQTY	23000	23000
CP ORDER AVLQTY	379000	23000
ORDER LMQTY	23000	23000
CP ORDER LMQTY	379000	23000
MEMBER NO	4029	4041
MEMBER NAME	ODYSSEY SECURITIES PVT. LTD	NS BROKING PVT. LTD.
OLD CLIENT		
MODIFIED CLIENT	BS01239	NS00004
CP MEMBER NO	4041	4029
CP MEMBER NAME	NS BROKING PVT. LTD.	ODYSSEY SECURITIES PVT. LTD
CP OLD CLIENT		
CP_MODIFIED_CLIENT	NS00004	BS01239
TERMINALID	902	902
USER NAME	SANJAY BANSAL	AKASH AGARWAL
LOCATION_ADDRESS	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	115, BANGUR AVENUE, BLOCK C, KOLKATA 700055 KOLKATA WEST BENGAL 700055
CP_TERMINALID	902	902
CP_USER_NAME	AKASH AGARWAL	SANJAY BANSAL
CP_LOCATION_ADDRESSES	115, BANGUR AVENUE, BLOCK C, KOLKATA 700055 KOLKATA WEST BENGAL 700055	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000010001001012	7000550001002012
CP_LOCATIONID	7000550001002012	7000010001001012
SCRIPNAME	DABU15APR220.00CE	DABU15APR220.00CE
EXPIRY DATE	2015-04-30	2015-04-30
STRIKEPRICE	22000	22000
SERIES	EQD	EQD
MKT TYPE	N	N
ISIN NO		

Annexure c

Sl No	PAN Number	Name	Artificial Volume	Non-Genuine Trades	Number of Contracts
5057	AAJHV0926R	VIKRAM ANAND HUF	46000	2	1

