





भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India

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**ACHAL SINGH**  
**ADJUDICATING OFFICER**  
Email: achals@sebi.gov.in

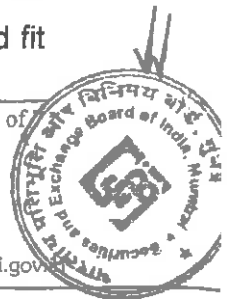
ADJ/AS/AMK/OWIP/17260-4/1/2021  
July 30, 2021  
**By Speed Post / AD and E-mail**

**Shri. Akashdeep Singh**  
305-A, Modal Town Extn,  
Ludhiana, Punjab- 141002  
Email ID - gursharansinghchawla@gmail.com

**Notice under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992 in respect of Shri. Akashdeep Singh in the matter of dealings in Illiquid Stock Options at Bombay Stock Exchange limited.**

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") has initiated adjudication proceedings in respect of Shri. Akashdeep Singh bearing PAN: DQTPS4378R (hereinafter referred to as "Noticee") for carrying out alleged non-genuine trade(s) in illiquid stock options at BSE Ltd. (formerly Bombay Stock Exchange limited) (hereinafter referred to as "BSE"), thereby, violating the provisions of Regulation 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").
2. In this regard, the undersigned has been appointed as the Adjudicating Officer (AO) on May 28, 2021 by SEBI, under Section 19 read with Section 15-I (1) of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act") and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "SEBI Adjudication Rules 1995") to conduct adjudication proceedings *inter-alia* in respect of the Noticee, in the manner specified under Rule 4 of the SEBI Adjudication Rules, 1995 read with Section 15-I (1) and (2) of the SEBI Act, and if satisfied that penalty is liable, to impose such penalty deemed fit

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in terms of Rule 5 of the SEBI Adjudication Rules 1995 and Section 15HA of the SEBI Act. (Copy of the SEBI's communique for appointing the AO, in the aforesaid matter is enclosed as **"Annexure A"**).

3. SEBI observed large scale reversal of trades in the Stock Options segment of BSE leading to creation of artificial volume. SEBI conducted investigation into the trading activity in illiquid Stock Options at BSE for the period from 01/04/2014 to 30/09/2015 (hereinafter referred to as **"Investigation Period"**).
4. Reversal trades have been considered those trades in which an entity reverse its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are alleged to be non-genuine trades as they are not executed in normal course of trading, lack basic trading rationale, and allegedly lead to false or misleading appearance of trading in terms of generation of artificial volume, hence were deceptive and manipulative. Artificial volume is considered to be the volume (no. of units) reversed in both legs of said reversal trades while keeping out the volume, if any, which is not reversed.
5. Pursuant to investigation, it is observed that during the investigation period, total 2,91,744 trades comprising substantial 81.41% of all the trades executed in Stock Options Segment of BSE were non genuine trades. The aforesaid 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.
6. It is noted that Noticee was one of the various entities which were indulged in execution of non-genuine trade(s) in Stock Options Segment of BSE during the investigation period. Following points mention the dealings of Noticee in Stock Options segment of BSE during the investigation period and allegations against Noticee for execution of non-genuine trade(s).





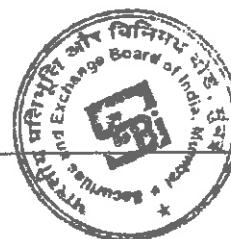
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7. Non-genuine trade(s) and artificial volume are illustrated through the dealings of the Noticee in the contract viz, "BOBL15MAR175.00CE" during the investigation period, mentioned as follows:

- (a) During the investigation period, total 16 trades for 14,82,500 units were executed in the said contract. Noticee had executed 2 trades for 2,50,000 units in the said contract on 20/03/2015.
- (b) While dealing in the said contract on 20/03/2015, Noticee at 14:02:05 hrs entered into 1 buy trade with counter party viz, Subhrashi Properties Pvt. Ltd. for 1,25,000 units at rate of Rs. 1.2 per unit. Thereafter, on the same day, Noticee, at 14:02:09 hrs entered into 1 sell trade with same counterparty for 1,25,000 units at rate of Rs. 3.2 per unit.
- (c) From the above, it is noted that while dealing in the said contract during the investigation period, Noticee executed total 2 trades (1 buy trade + 1 sell trade) with same counterparty viz, Subhrashi Properties Pvt. Ltd. on the same day and with significant price differential in buy and sell rate.
- (d) Thus, Noticee, through its dealing in the contract viz, "BOBL15MAR175.00CE" during the investigation period, executed 1 trade reversal through 2 non genuine trades which is 12.5% of the total trades from the market in the said contract during the investigation period, and thereby, Noticee generated artificial volume of 2,50,000 units which is 16.86% of the volume traded in the said contract from the market during the investigation period.

8. Details of both the trades, which are non-genuine, of Noticee in Stock Options segment of BSE during the investigation period is given in "Annexure B", and the detailed summary of all the dealings in the contract "BOBL15MAR175.00CE" in which Noticee allegedly executed non genuine trades during the investigation period is given in "Annexure C".





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9. Summary of dealings of Noticee in the contract "BOBL15MAR175.00CE" in which it allegedly executed non genuine trades during the investigation period, is as follows:

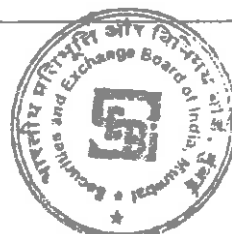
Table – Summary of dealings of Noticee in contracts wherein he executed non genuine trades

| S. N o. | Contract Name     | Avg. Buy Rate (Rs.) | Total Buy Volume (no. of units) | Avg. Sell Rate (Rs.) | 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       | BOBL15MAR175.00CE | 1.2                 | 125000                          | 3.2                  | 125000                           | 100%                                                                                         | 12.5%                                                                              | 100%                                                                                                  | 16.86%                                                                                      |

10. From the above table, following is noted as regards to dealings of Noticee in the contract "BOBL15MAR175.00CE":

- Noticee had executed alleged non-genuine trades in the above contract, wherein 100% trades were non-genuine trades.
- No. of non-genuine trades of Noticee has significantly contributed to the total no. of trades from the market in the above contract, as a substantial 12.5% of the trades happened in aforementioned contract were due to alleged non-genuine trades executed by the Noticee.
- A substantial 16.86% of volume generated by the Noticee in the above contract was artificial volume.
- Alleged non-genuine 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.

11. In view of the foregoing, it is alleged that the Noticee, indulged in execution of reversal of trades in Stock Options segment of BSE with same entity on the same day. Such trades are non-genuine in nature and have created false and misleading appearance of trading in terms of artificial volumes in the stock options segment





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and therefore alleged to be manipulative, deceptive in nature. Thus, Noticee, allegedly violated the provisions of Regulation 3 (a), (b), (c), (d), and 4(1), 4(2) (a) of the PFUTP Regulations, 2003.

12. Provisions of the aforesaid alleged violations committed by the Noticee are *inter-alia* read as under:-

**3. Prohibition of certain dealings in securities**

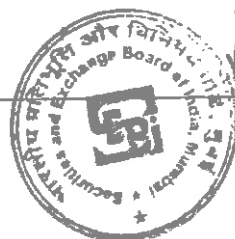
*No person shall directly or indirectly—*

- (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;*

13. The aforesaid alleged contravention of the provisions of Regulation 3 (a), (b), (c), (d), and 4(1), 4(2) (a) of the PFUTP Regulations, 2003 make the Noticee liable for monetary penalty under Section 15HA of SEBI Act, 1992. Provisions of Section 15HA of SEBI Act, 1992 *inter-alia* read as under:





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**Penalty for fraudulent and unfair trade practices.**

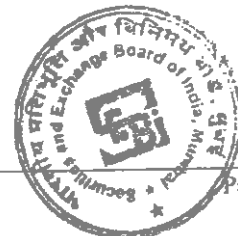
15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty 89[which shall not be less than five lakh rupees but which may extend to twenty - five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

14. With respect to above alleged violations, Noticee, is therefore, called upon to show cause as to why an inquiry should not be held against it in terms of Rule 4 of the SEBI Adjudication Rules, 1995 read with section 15-I of the SEBI Act, and penalty should not be imposed in terms of Rule 5 of the said Rules and the provisions of Section 15HA of SEBI Act.

15. The Noticee may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If the Noticee wish to opt for the settlement process, he/she may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, they may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

16. Noticee's reply, if any, should reach the undersigned or Shri. Ajinkya Madhukar Kamble, at the address given below as well as through email at [achals@sebi.gov.in](mailto:achals@sebi.gov.in) & [ajinkyak@sebi.gov.in](mailto:ajinkyak@sebi.gov.in), within 14 - days from the date of the receipt of this Notice, failing which it shall be presumed that Noticee has no reply to submit and the matter would be further proceeded with on the basis of the materials available on record in terms of Rule 4 (7) of SEBI Adjudication Rules, 1995.

Securities and Exchange Board of India  
SEBI Bhavan, C4-A, 'G' Block,  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051





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17. The Noticee is advised to provide copy of its PAN and email-id and also to keep the undersigned informed about the change in its correspondence address, if any, till the proceedings are complete.

Achal Singh  
Adjudicating Officer

Enclosures:

| Annexure | Copy of relevant documents enclosed with this SCN                                                                                                                          | No. of pages |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| A        | Copy of SEBI communique dated May 28, 2021 appointing Adjudicating Officer                                                                                                 | 3            |
| B        | Details of both the non-genuine trades of Noticee in Stock Options segment of BSE during the investigation period and all the dealings in the contract "BOBL15MAR175.00CE" | 2            |
| C        | Summary of all the dealings in the contract "BOBL15MAR175.00CE" in which Noticee allegedly executed non genuine trades during the investigation period                     | 1            |



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

1. Whereas, Securities and Exchange Board of India (SEBI) has conducted examination trading in option 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 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 under Section 19 of the SEBI Act read with Section 15 I(1) of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 ("hereinafter referred as the 'SEBI Rules') read with section 19 of the SEBI Act, vide Order dated April 30, 2021 appointed Division Chiefs as mentioned in Annexure B as Adjudicating Officers to enquire into and adjudge under Sections 15HA SEBI Act, for the alleged violations by the Noticees as mentioned at Para 2 above. Annexure A also contains 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.
4. The said proceedings of appointment are hereby communicated to the Adjudicating Officers as mentioned in Annexure B 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 25<sup>th</sup> day of May 2021.

Bhavana R.K.  
**BHAVANA RAVIKUMAR**  
**GENERAL MANAGER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**



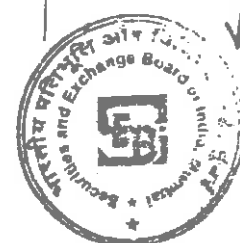
| SL.<br>NO. | NAME | STAFF<br>NO. | DESIGNATION |
|------------|------|--------------|-------------|
|------------|------|--------------|-------------|

|   |             |      |    |
|---|-------------|------|----|
| 5 | Achal Singh | 1360 | GM |
|---|-------------|------|----|



| S. No. | Case ID | PAN Number | Entity Name | EFD DO | AO Name |
|--------|---------|------------|-------------|--------|---------|
|--------|---------|------------|-------------|--------|---------|

|    |           |            |                 |               |             |
|----|-----------|------------|-----------------|---------------|-------------|
| 24 | 210018883 | DQTPS4378R | AKASHDEEP SINGH | Bhagwati Raja | Achal Singh |
|----|-----------|------------|-----------------|---------------|-------------|

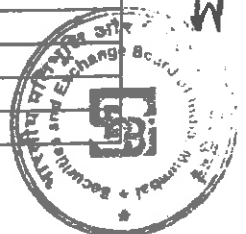


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## Annexure B

Details of both the non-genuine trades of Noticee In Stock Options segment of BSE during the investigation period and all the dealings in the contract "BOBL15MAR175.00CE"

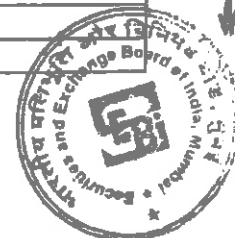
|                     |                                                                        |                                                                        |
|---------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| sno                 | 112355                                                                 | 112356                                                                 |
| TRADE_DATE          | 20/03/2015                                                             | 20/03/2015                                                             |
| SCRIPCODE           | 855610                                                                 | 855610                                                                 |
| clnt_pan            | DQTPS4378R                                                             | AARCS3391N                                                             |
| clnt_name           | AKASHDEEP SINGH                                                        | SUBHRASHI PROPERTIES PVT LTD                                           |
| cp_pan              | AARCS3391N                                                             | DQTPS4378R                                                             |
| cp_name             | SUBHRASHI PROPERTIES PVT LTD                                           | AKASHDEEP SINGH                                                        |
| ORDER_NO            | 1426828060279016001                                                    | 1426828060279016005                                                    |
| CP_ORDER_NO         | 1426828060279016000                                                    | 1426828060279016003                                                    |
| TRADEID             | 17331                                                                  | 18264                                                                  |
| ORDER_TIME          | 14:02:05.431773                                                        | 14:02:09.302040                                                        |
| CP_ORDER_TIME       | 14:02:05.401832                                                        | 14:02:09.232037                                                        |
| TRADE_TIME          | 14:02:05.431773                                                        | 14:02:09.302040                                                        |
| ORDER_LMTIME        | 14:02:05.431773                                                        | 14:02:09.302040                                                        |
| CP_ORDER_LMTIME     | 14:02:05.401832                                                        | 14:02:09.232037                                                        |
| TRADE_RATE          | 1.2                                                                    | 3.2                                                                    |
| LTP_RATE            | 0.0                                                                    | 2.0                                                                    |
| LTP_PERCENT         | 0.0                                                                    | 166.67                                                                 |
| TRADE_VALUE         | 22025000.0                                                             | 22275000.0                                                             |
| ORDER_RATE          | 1.2                                                                    | 3.2                                                                    |
| CP_ORDER_RATE       | 1.2                                                                    | 3.2                                                                    |
| ORDER_LMRATE        | 1.2                                                                    | 3.2                                                                    |
| CP_ORDER_LMRATE     | 1.2                                                                    | 3.2                                                                    |
| ORDER_LTP           | 1.2                                                                    | 3.2                                                                    |
| CP_ORDER_LTP        | 236250.0                                                               | 1.2                                                                    |
| TRADED_QTY          | 125000                                                                 | 125000                                                                 |
| ORDER_QTY           | 125000                                                                 | 250000                                                                 |
| CP_ORDER_QTY        | 250000                                                                 | 125000                                                                 |
| ORDER_AVLQTY        | 125000                                                                 | 250000                                                                 |
| CP_ORDER_AVLQTY     | 250000                                                                 | 125000                                                                 |
| ORDER_LMQTY         | 125000                                                                 | 250000                                                                 |
| CP_ORDER_LMQTY      | 250000                                                                 | 125000                                                                 |
| MEMBER_NO           | 3052                                                                   | 6566                                                                   |
| MEMBER_NAME         | R.K.STOCK HOLDING PVT.LTD.                                             | KAYAN SECURITIES PVT. LTD.                                             |
| OLD_CLIENT          |                                                                        |                                                                        |
| MODIFIED_CLIENT     | NV629                                                                  | MA331                                                                  |
| CP_MEMBER_NO        | 6566                                                                   | 3052                                                                   |
| CP_MEMBER_NAME      | KAYAN SECURITIES PVT. LTD.                                             | R.K.STOCK HOLDING PVT.LTD.                                             |
| CP_OLD_CLIENT       |                                                                        |                                                                        |
| CP_MODIFIED_CLIENT  | MA331                                                                  | NV629                                                                  |
| TERMINALID          | 902                                                                    | 902                                                                    |
| USER_NAME           | NAVDEEP VARSHNEY                                                       | ASHOK KUMAR KAYAN                                                      |
| LOCATION_ADDRESS    | A7,BLOCK B1 MOHAN COOPERATIVE INDUSTRIAL ESTATE NEW DELHI DELHI 110044 | 1 R N MUKHRJEE ROAD, MARTIN BURN BUILDING KOLKATA WEST BENGAL 700001   |
| CP_TERMINALID       | 902                                                                    | 902                                                                    |
| CP_USER_NAME        | ASHOK KUMAR KAYAN                                                      | NAVDEEP VARSHNEY                                                       |
| CP_LOCATION_ADDRESS | 1 R N MUKHRJEE ROAD, MARTIN BURN BUILDING KOLKATA WEST BENGAL 700001   | A7,BLOCK B1 MOHAN COOPERATIVE INDUSTRIAL ESTATE NEW DELHI DELHI 110044 |
| ORDER_AUD           | A                                                                      | A                                                                      |
| CP_ORDER_AUD        | A                                                                      | A                                                                      |
| ORDER_TYPE          | L                                                                      | L                                                                      |
| CP_ORDER_TYPE       | L                                                                      | L                                                                      |
| LOCATIONID          | 1100440001001012                                                       | 7000010001002012                                                       |



**Annexure B**

**Details of both the non-genuine trades of Noticee in Stock Options segment of BSE during the investigation period and all the dealings in the contract "BOBL15MAR175.00CE"**

|               |                   |                   |
|---------------|-------------------|-------------------|
| CP_LOCATIONID | 7000010001002012  | 1100440001001012  |
| SCRIPNAME     | BOBL15MAR175.00CE | BOBL15MAR175.00CE |
| EXPIRY        | 2015-03-26        | 2015-03-26        |
| STRIKEPRICE   | 17500.0           | 17500.0           |
| SERIES        | EQD               | EQD               |
| MKT_TYPE      | N                 | N                 |
| ISIN_NO       |                   |                   |
| qty           | 125000            | 125000            |



## Annexure C

Summary of all the dealings in the contract "BOBL15MAR175.00CE" in which Noticee allegedly executed non genuine trades during the investigation period

|                                                                      |                   |
|----------------------------------------------------------------------|-------------------|
| Index                                                                | 0                 |
| clnt_pan                                                             | DQTPS4378R        |
| scripname                                                            | BOBL15MAR175.00CE |
| buy_quantity                                                         | 125000            |
| buy_value                                                            | 150000            |
| avg_buy_rate                                                         | 1.2               |
| sell_qty                                                             | 125000            |
| sell_value                                                           | 400000            |
| avg_sell_rate                                                        | 3.2               |
| non_gen_trnx_entity_cntrct                                           | 2                 |
| total_trd_entity_cntrct                                              | 2                 |
| total_no_of_trades_of_the_cntrct                                     | 16                |
| art_vol_gen_entity_in_the_cntrct                                     | 250000            |
| total_vol_gen_by_entity_in_the_cntrct                                | 250000            |
| total_vol_in_the_contract                                            | 1482500           |
| prcnt_of_non_gen_trds_entity_total_trds_in_cntrct_entity             | 100               |
| prcnt_of_non_gen_trds_entity_total_trds_in_cntrct                    | 12.5              |
| 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               | 16.86             |

