

BALBIR SINGH

From: GEETHA G
Sent: 10/08/2022 15:16
To: officemail1971@gmail.com
Cc: BALBIR SINGH; ARNAVAAZ PRINTER
Subject: ISO SCN -BESTWAY DEALCOM PRIVATE LIMITED- PAN: AAECB8238J
Attachments: Annexure 1- Relevant portion of Investigation Report.pdf; Annexure 2- AO Communique & list of entities.pdf; Annexure 5.PDF; ANNEX 3 - AAECB8238J.xlsx; ANNEX 4 - AAECB8238J.xlsx
Signed By: geethag@sebi.gov.in
Importance: High

BESTWAY DEALCOM PRIVATE LIMITED**PAN: AAECB8238J**912 LALA BAZAR STREET ROOM NO 3078
KOLKATA

KOLKATA WEST BENGAL 700001

Email Address: officemail1971@gmail.com

Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of dealings in Illiquid Stock Options (ISO) at BSE

PART - A

1. Securities and Exchange Board of India (SEBI) has initiated Adjudication Proceedings against you (Noticee), under SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (Adjudication Rules) for allegedly violating Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Markets) Regulations, 2003 (PFUTP Regulations), in the matter of trading in illiquid stock options at Bombay Stock Exchange Ltd. (BSE).
2. SEBI had conducted an investigation into large scale reversal of trades in Stock Options segment of the BSE during the period of April 01, 2014 to September 30, 2015 (Copy of relevant portion of Investigation Report is placed at Annexure 1).
3. Pursuant to investigation, it was observed that during the investigation period, there were trades executed in BSE Stock Options Segment involving reversal of buy and sell positions by

clients and counterparties in the same contract (refer Paragraph 6 of Investigation Report/Annexure 1). The reversal trades involved squaring off trades (either buy or sell), with significant difference in the price. You are one among the entities who indulged in reversal trades, which allegedly created false and misleading appearance of trading thereby generated artificial volumes in the Stock Options Segment of BSE during the investigation period. The trades entered in the unique contracts were reversed on the same day with same counterparties, at a price difference which had no underlying basis and without an intention of performing it or there being a change of ownership/rights in the contracts. These factors indicate that these trades were allegedly artificial and non- genuine in nature.

4. In this connection, the undersigned was appointed as Adjudicating Officer under Section 15-I of the Securities and Exchange Board of India Act, 1992 (SEBI Act) to inquire into and adjudge the alleged violations by the Noticee and determine whether penalty under Section 15HA of the SEBI Act is liable to be imposed. Copy of communication appointing undersigned as Adjudicating Officer is placed at **Annexure 2**.
5. All the entities identified by the investigation including you, indulged in reversal trades. Your trade details including the trade dates, name of the counterparties, time, price and volume are available in columns B, E/G, M, P and Z respectively of the Reversal Trade Data placed at **Annexure 3**. Additionally, a summary of your reversal trades in the Stock Options contracts executed during the investigation period is placed at **Annexure 4**.
6. In view of the above, it is alleged that the Noticee herein, by indulging in execution of non-genuine reversal trades in Stock Options, created false and misleading appearance of trading in securities market and thereby, violated provisions of Regulation 3(a),(b),(c),(d), 4(1), 4(2)(a) of PFUTP Regulations.
7. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under section 15HA of the SEBI Act, which reads as below:

"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."

(Emphasis Supplied)

PART – B

8. Meanwhile, SEBI has framed the **SEBI Settlement Scheme, 2022** pursuant to the Order dated May 13, 2022 passed by the Hon'ble Securities Appellate Tribunal (Annexure 5), wherein the following directions were issued to SEBI:

“17. We are, thus, of the opinion that SEBI should reconsider and seriously give a thought in coming out with a fresh scheme under Clause 26 of the Settlement Regulations, 2018. Such scheme can be a onetime scheme for this class of person. The terms of settlement should be attractive so that it could attract the noticees / entities to come forward and settle the matter which will ameliorate the harassment of penalty proceedings to the noticees and at the same time would help to clear the backlog of these pending matters before various AOs.” (Emphasis Supplied)

9. In compliance with the above directions of the Hon'ble Securities Appellate Tribunal, SEBI has introduced a onetime settlement scheme called the SEBI Settlement Scheme, 2022, in terms of Regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 in the matter of Illiquid Stock Options. The said scheme proposes payment of Settlement Amount as per the details given below:

S No	Number of Contracts*	Settlement Amount (Rs.)
1	1-5	1,00,000/-
2	6-50	2,00,000/-
3	51 and above	5,00,000/- base amount + 10,000 per contract

** You may refer to the relevant Annexure/table of the SCN which contains a summary of the contracts you entered to determine the applicable slab for settlement.*

10. The period of the **SEBI Settlement Scheme, 2022** will commence on August 22, 2022 and will close on November 21, 2022, so as to provide an opportunity for settlement to the entities who have executed reversal trades in the stock options segment of BSE during the period April 01, 2014 to September 30, 2015, against whom enforcement proceedings have been initiated and are pending. In case you wish to avail the benefit of the said Scheme, you may access the details of the said Scheme, which would be available on the website of SEBI i.e. www.sebi.gov.in, during the said period.
11. Necessary application for settlement may be filed within the validity period of the scheme and payment of the settlement amount shall be made online. Additionally, for any clarification in

regard to settlement scheme, you may refer to the FAQs at SEBI website or send email to scheme2022@sebi.gov.in .

12. In case you do not wish to avail of the facility under the SEBI Settlement Scheme, 2022, the adjudication proceedings in respect of the allegations contained in Part A of the SCN shall resume. Accordingly, an inquiry shall be held against you in terms of Adjudication Rules read with section 15-I of the SEBI Act, and penalty, if any, shall be imposed under section 15HA of the SEBI Act. In such case, you are called upon to file your reply within 30 days of receipt of this Show Cause Notice.

GEETHA G.
ADJUDICATING OFFICER

- Enclosures:** 1) Annexure 1 - Relevant Extract of Investigation Report
2) Annexure 2 - Copy of the communication appointing the Adjudicating Officer
3) Annexure 3 - Details of all the reversal trades of the Noticee
4) Annexure 4 - Summary of reversal trades of the Noticee
5) Annexure 5 - Copy of SAT judgment dated May 13, 2022

sno	TRADE_DATE	SCRIPCODE	clnt_pan	clnt_name	cp_pan	cp_name	ORDER_NO	CP_ORDER_NO	TRADEID	ORDER_TIME
127880	26/03/2015	826265	AMEPS11388	NAYANA MANOJ SHAH	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	1427347938775005004	1427347938775005013	37514	12:42:01.902405
127887	26/03/2015	826265	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	AAHCA9282C	AHK DEVELOPERS PRIVATE LIMITED	1427347938775005058	1427347938775005059	40020	12:50:22.617001
127888	26/03/2015	826265	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	AMEPS11388	NAYANA MANOJ SHAH	1427347938775005060	1427347938775005061	40114	12:50:44.018242
127890	26/03/2015	826265	AKIPG8968P	JYOTSHNA SHANTILAL GHATALIA	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	1427347938775005005	1427347938775005013	40895	12:42:01.904345
127906	26/03/2015	826265	AAHCA9282C	AHK DEVELOPERS PRIVATE LIMITED	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	1427347938775005003	1427347938775005013	44179	12:42:01.806329
127908	26/03/2015	826265	AAECB8238J	BESTWAY DEALCOM PRIVATE LIMITED	AKIPG8968P	JYOTSHNA SHANTILAL GHATALIA	1427347938775005062	1427347938775005063	44519	12:51:29.401093

CP_ORDER_TIME	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	TRADE_VALUE	ORDER_RATE	CP_ORDER_RATE	ORDER_LMRATE	CP_ORDER_LMRATE	ORDER_LTP
12:42:02.708412	12:42:02.708412	12:42:01.902405	12:42:02.708412	38.2 0.2	0.53		1291000.0	38.2	37.9	38.2	37.9	
12:50:22.981059	12:50:22.981059	12:50:22.701919	12:50:22.981059	57.3 0.3	0.53		6100600.0	57.3	57.3	57.3	57.3	57.4
12:50:44.382371	12:50:44.382371	12:50:44.102818	12:50:44.382371	57.35 0.05	0.09		13867500.0	57.35	57.35	57.35	57.35	57.3
12:42:02.708412	12:42:02.708412	12:42:01.904345	12:42:02.708412	38.25 0.2	0.53		2840750.0	38.25	37.9	38.25	37.9	
12:42:02.708412	12:42:02.708412	12:42:01.806329	12:42:02.708412	38.15 0.15	0.39		6195600.0	38.15	37.9	38.15	37.9	
12:51:29.685022	12:51:29.685022	12:51:29.504729	12:51:29.685022	57.45 19.05	49.61		3606850.0	57.45	57.45	57.45	57.45	57.35

CP_ORDER_LTP	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY	ORDER_QTY	CP_ORDER_AVLQTY	ORDER_AVLQTY	CP_ORDER_AVLQTY	ORDER_LMQTY	CP_ORDER_LMQTY	MEMBER_NO	MEMBER_NAME	OLD_CLIENT	MODIFIED_CLIENT
38.25	50000	50000	50000	85000	50000	50000	85000	50000	85000 5156	MOUSUMI DEB ROY	MOUSUMI DEB ROY	KD83	
57.3	22000	22000	22000	22000	22000	22000	22000	22000	22000 4029	ODYSSEY SECURITIES PVT. LTD	ODYSSEY SECURITIES PVT. LTD	BS01127	
57.35	50000	50000	50000	50000	50000	50000	50000	50000	50000 4029	ODYSSEY SECURITIES PVT. LTD	ODYSSEY SECURITIES PVT. LTD	BS01127	
38.25	11000	50000	50000	85000	50000	50000	85000	50000	85000 5156	MOUSUMI DEB ROY	MOUSUMI DEB ROY	KD79	
38.25	24000	75000	75000	85000	75000	75000	85000	75000	85000 5156	MOUSUMI DEB ROY	MOUSUMI DEB ROY	JT33	
57.45	13000	13000	13000	13000	13000	13000	13000	13000	13000 4029	ODYSSEY SECURITIES PVT. LTD	ODYSSEY SECURITIES PVT. LTD	BS01127	

CP_MEMBER_NO	CP_MEMBER_NAME	CP_OLD_CLIENT	CP_MODIFIED_CLIENT	TERMINALID	USER_NAME	LOCATION	ADDRESS	CP_TERMINALID
4029	ODYSSEY SECURITIES PVT. LTD		BS01127	902	SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001	KOLKATA WEST BENGAL 700001	902
5156	MOUSUMI DEB ROY		JT33	902	SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001	KOLKATA WEST BENGAL 700001	902
5156	MOUSUMI DEB ROY		KD83	902	SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001	KOLKATA WEST BENGAL 700001	902
4029	ODYSSEY SECURITIES PVT. LTD		BS01127	902	SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001	KOLKATA WEST BENGAL 700001	902
4029	ODYSSEY SECURITIES PVT. LTD		BS01127	902	SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001	KOLKATA WEST BENGAL 700001	902
5156	MOUSUMI DEB ROY		KD79	902	SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001	KOLKATA WEST BENGAL 700001	902

CP_USER_NAME	CP_LOCATION_ADDRESS	ORDER_AUD	CP_ORDER_AUD	ORDER_TYPE	CP_ORDER_TYPE	LOCATIONID	CP_LOCATIONID
SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001002012	7000010001001012
SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001001012	7000010001002012
SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001001012	7000010001002012
SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001002012	7000010001001012
SANJAY BANSAL	16, INDIA EXCHANGE PLACE KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001002012	7000010001001012
SUBHENDU SAHA	8, LYONS RANGE, KOLKATA 700001 KOLKATA WEST BENGAL 700001	A	A	L	L	7000010001001012	7000010001002012

SCRIPNAME	EXPIRY	STRIKEPRICE	SERIES	MKT_TYPE	ISIN_NO	qty
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		50000
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		22000
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		50000
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		11000
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		22000
VOLT15MAR20.00CE	2015-03-26	22000.0	EQD	N		11000

Index	clnt_pan	scripnema	buy_quantity	buy_value	avg_buy_rate	sell_qty	sell_value	avg_sell_rate	non_gen_trnx_entity_contract	total_trd_entity_contract	total_no_of_trades_of_the_contract
0	AAECB8238J	VOLT15MAR220.00CE	85000	4874950	57.35	85000	3246350	38.19	6	6	48

art_vol_gen_entity_in_the_cntrct	total_vol_gen_by_entity_in_the_cntrct	total_vol_in_the_contract	prcnt_of_non_gen_trds_entity_total_trds_in_cntrct_entity	prcnt_of_non_gen_trds_entity_total_trds_in_cntrct
166000	170000	1664000	100	12.5

print_of_art_vol_gen_entity_entrect_total_vol_gen_by_entity_in_entrect	97.65	print_of_art_vol_gen_entity_entrect_total_vol_in_entrect	9.98
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