



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

By Speed Post A.D.

DEPUTY GENERAL MANAGER &
ADJUDICATING OFFICER

SEBI/HO/CDMRD/CDMRD_DIA2/P/OW/2021/20842/1

August 25, 2021

HARSH BENGANI BENIFITE TRUST

[PAN: AAATH7717F]

124 M G ROAD, BURRABAZAR
KOLKATA, WEST BENGAL-700007

Subject: Adjudication Proceedings in respect of Harsh Bengani Benifite Trust 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 Harsh Bengani Benifite Trust (hereinafter also referred to as "Noticee"), bearing PAN - AAATH7717F, for allegedly violating Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) 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 has been appointed as Adjudicating Officer, vide order dated July 02, 2021, to enquire into and adjudge under Section 15 I r/w Section 15HA 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 July 06, 2021 appointing the undersigned as Adjudicating Officer is placed at Annexure A.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

(9)

**भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India**

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 activities 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 81.38% 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 trade(s) 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 1 reversal trade in one contract, which led to generation of alleged artificial volume of 72,000 units. 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 contract in which the said Noticee allegedly executed reversal trade 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 non-genuine in nature.

T3 - h ———
Powers



अनुवर्ती :
Continuation :

(8)

**भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India**

7. A summary of dealings of Noticee in the Stock Options contract in which the said Noticee allegedly executed reversal trade during the investigation period, is as follows: -

Summary of dealings in contract wherein the Noticee executed reversal trade

Sr. No.	Contract Name	Avg Buy Rate (Rs.)	Total Buy Volume (no. of units)	Avg. Sell Rate (Rs.)	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	ANBK15MAY85.00PEW3	4	36,000	6.9	36,000	100%	9.68%

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, "ANBK15MAY85.00PEW3" during the investigation period, as follows: -

- (a) During the investigation period, 2 trades for 72,000 units were executed by the Noticee in the said contract on 21/05/2015.
- (b) While dealing in the said contract on 21/05/2015, at 13:23:30.84 hrs the Noticee entered into a buy trade with counterparty Himalayan Investment Consultants Private Limited for 36,000 units at Rs. 4 per unit. At 13:23:36.54 hrs, the Noticee entered into a sell trade with same the counterparty for 36,000 units at Rs.6.9 per unit.

T344

Pam



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
*Securities and Exchange
Board of India*

- (c) The Noticee's two trades while dealing in the abovementioned contract during the investigation period allegedly generated artificial volume of 72,000 units, which constituted 9.68% 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 trade(s) in Stock Options with same entity 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 violation, if established, makes the Noticee 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 (hereinafter referred as "**Adjudication Rules**") read with section 15 I of the SEBI Act, and why penalty should not be imposed under section 15HA of the SEBI Act.
12. 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, they 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.
13. Your reply, if any, should reach the undersigned or through email at bhartendrakg@sebi.gov.in and pawand@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

T3 u k -

Pawand



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

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.

14. 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.

T324
BHARTENDRA KUMAR GUPTA
ADJUDICATING OFFICER

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	1
C	Summary of dealings of Noticee in 1 Stock Options contract in which the Noticee allegedly executed reversal trades during the investigation period	1

[Signature]

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 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 upon her 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 to as the 'SEBI Rules') read with section 19 of the SEBI Act appointed certain Division Chiefs as Adjudicating Officers vide Order dated July 02, 2021 to enquire into and adjudicate under Sections 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 SEBI Rules read with sub-section (1) and (2) of Section 15 I of SEBI Act. The Adjudicating Officers shall



Pravin

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 6th day of July 2021.

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



Ram

S. No.	Case ID	Case Name	PAN Number	Entity Name	AO Name
594	210015618	ISO at BSE-HANSA KANODIA	AFXPK7507E	HANSA KANODIA	Yogita Shrikant Jadhav
595	210017625	ISO at BSE-HANSIKA JAIN	ATBPJ3164A	HANSIKA JAIN	Yogita Shrikant Jadhav
596	210006595	ISO at BSE-HANSRAJ EXIM AND CONSULTANCY PVT LTD	AABCH3387B	HANSRAJ EXIM AND CONSULTANCY PVT LTD	Yogita Shrikant Jadhav
597	210008384	ISO at BSE-HANSRAJ RAKESH KUMAR BAID HUF	AADHH3854G	HANSRAJ RAKESH KUMAR BAID HUF	Yogita Shrikant Jadhav
598	210014048	ISO at BSE-HANUMAN MAL BHUTORIA	ADEPB5534F	HANUMAN MAL BHUTORIA	Yogita Shrikant Jadhav
599	210007035	ISO at BSE-HANUMAN SAHAY GOYAL (HUF)	AABHH6898G	HANUMAN SAHAY GOYAL (HUF)	Yogita Shrikant Jadhav
600	210012519	ISO at BSE-hanumanmal chhaganmal baid	AAXPB5467H	hanumanmal chhaganmal baid	Yogita Shrikant Jadhav
601	210007039	ISO at BSE-HARKESH RAI AGRAWAL HUF	AABHH9735C	HARKESH RAI AGRAWAL HUF	Bhartendra Kumar Gupta
602	210013384	ISO at BSE-HARMEET SINGH	ACKPS3716M	HARMEET SINGH	Bhartendra Kumar Gupta
603	210007402	ISO at BSE-HARMONY DEALERS PRIVATE LIMITED	AACCH5976R	HARMONY DEALERS PRIVATE LIMITED	Bhartendra Kumar Gupta
604	210018816	ISO at BSE-HARPREET KAUR	CXWPK6331B	HARPREET KAUR	Bhartendra Kumar Gupta
605	210017976	ISO at BSE-HARSH JAIN	AYHPJ5686L	HARSH JAIN	Bhartendra Kumar Gupta
606	210018885	ISO at BSE-HARSH KEDIA	DSQPK0596G	HARSH KEDIA	Bhartendra Kumar Gupta
607	210018731	ISO at BSE-HARSH KILLA	CJSPK8246H	HARSH KILLA	Bhartendra Kumar Gupta
608	210011984	ISO at BSE-HARSH NIGAM	AAPPN2696G	HARSH NIGAM	Bhartendra Kumar Gupta
609	210018642	ISO at BSE-HARSH PASARI	BZLPP6738F	HARSH PASARI	Bhartendra Kumar Gupta
610	210017448	ISO at BSE-HARSH THAKKAR	AQNPT6680N	HARSH THAKKAR	Bhartendra Kumar Gupta
611	210013101	ISO at BSE-Harsh Udani	ABZPU4444Q	Harsh Udani	Bhartendra Kumar Gupta
612	210006423	ISO at BSE-HARSH BENGANI BENIFITE TRUST	AAATH7717F	HARSH BENGANI BENIFITE TRUST	Bhartendra Kumar Gupta
613	210014567	ISO at BSE-HARSH KUMAR JHUNJHUNWALA	ADXPJ3684K	HARSH KUMAR JHUNJHUNWALA	Bhartendra Kumar Gupta

Annexure B		
sno	195052	195055
TRADE_DATE	21/05/2015	21/05/2015
SCRIPCODE	831943	831943
clnt_pan	AACCH1627F	AAATH7717F
clnt_name	HIMALAYAN INVESTMENT CONSULTANS PRIVATE LIMITED	HARSH BENGANI BENIFITE TRUST
cp_pan	AAATH7717F	AACCH1627F
cp_name	HARSH BENGANI BENIFITE TRUST	HIMALAYAN INVESTMENT CONSULTANS PRIVATE LIMITED
ORDER_NO	1432181306980004002	1432181306980004001
CP_ORDER_NO	1432181306980004003	1432181306980004000
TRADEID	12461	13431
ORDER_TIME	13:23:36.452245	13:23:30.843160
CP_ORDER_TIME	13:23:36.546071	13:23:30.842861
TRADE_TIME	13:23:36.546071	13:23:30.843160
ORDER_LMTIME	13:23:36.452245	13:23:30.843160
CP_ORDER_LMTIME	13:23:36.546071	13:23:30.842861
TRADE_RATE	6.9	4
LTP_RATE	2.9	-2.8
LTP_PERCENT	72.5	-41.18
TRADE_VALUE	3308400.0	3204000.0
ORDER_RATE	6.9	4.0
CP_ORDER_RATE	6.9	4.0
ORDER_LMRATE	6.9	4.0
CP_ORDER_LMRATE	6.9	4.0
ORDER_LTP	4.0	4.0
CP_ORDER_LTP	6.9	92000.0
TRADED_QTY	36000	36000
ORDER_QTY	36000	36000
CP_ORDER_QTY	36000	36000
ORDER_AVLQTY	36000	36000
CP_ORDER_AVLQTY	36000	36000
ORDER_LMQTY	36000	36000
CP_ORDER_LMQTY	36000	36000
MEMBER_NO	4036	6587
MEMBER_NAME	GEOMETRY VANUJA PVT. LTD.	CONCORD VINIMAY PVT. LTD.
OLD_CLIENT		
MODIFIED_CLIENT	GVP1839	H015
CP_MEMBER_NO	6587	4036
CP_MEMBER_NAME	CONCORD VINIMAY PVT. LTD.	GEOMETRY VANUJA PVT. LTD.
CP_OLD_CLIENT		
CP_MODIFIED_CLIENT		
	H015	GVP1839
TERMINALID	902	902
USER_NAME	GOVIND GOENKA	AMIT JAJODIA
LOCATION_ADDRESS		
	11, CLIVE ROW KOLKATA WEST BENGAL 700001	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001
CP_TERMINALID	902	902
CP_USER_NAME	AMIT JAJODIA	GOVIND GOENKA
CP_LOCATION_ADDRESSES		
	21 HEMANTA BASU SARANI CENTRE POINT ROOM NO 230 2ND FLOOR KOLKATA WEST BENGAL 700001	11, CLIVE ROW KOLKATA WEST BENGAL 700001
ORDER_AUD	A	A
CP_ORDER_AUD	A	A
ORDER_TYPE	L	L
CP_ORDER_TYPE	L	L
LOCATIONID	7000010001001012	7000010001001012
CP_LOCATIONID	7000010001001012	7000010001001012
SCRIPNAME	ANBK15MAY85.00PEW3	ANBK15MAY85.00PEW3
EXPIRY	2015-05-21	2015-05-21
STRIKEPRICE	8500.0	8500.0
SERIES	EQD	EQD
MKT_TYPE	N	N
ISIN_NO		
qty	36000	36000



P. J. J.

Annexure C

PAN	SCRIPNAME	Buy Quantity	Buy Value (in ₹)	Average Buy rate (in ₹)	Sell Quantity	Sell Value (in ₹)	Average Sell rate (in ₹)	Number of non-genuine trades executed by the entity in the contract	Total number of trades executed by the Entity in the Contract	Artificial volume generated by Entity in the Contract	Total volume generated by Entity in the Contract	Total volume in the Contract	% of non-genuine trades of Entity in the contract to Entity's total trades in the Contract	% of non-genuine trades of Entity in the contract to Total trades in the Contract	% of Artificial Volume generated by Entity in the contract to Total Volume in the Contract	% of Artificial Volume generated by Entity in the contract to Total Volume in the Contract
AAATH7717F	ANBK15MAY85.00PEW3	36000	1,44,000	4	36000	2,48,400	6.9	2	2	72,000	72,000	7,44,000	100%	20.00%	100.00%	9.68%

