



General Manager and Adjudicating Officer
Recovery Division -1
Recovery and Refund Department
Tel: 022-2644 9542

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

By e-mail

RRD/AO-JS/AY/19148/2021
August 12, 2021

Sohan Lal Dugar
14 15 Bangur Avenue,
Block C, South Dum Dum,
North 24 Parganas,
Kolkata, West Bengal-700055
Email id: dugarmanish83@gmail.com

Show Cause Notice under Rule 4 (1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in respect of Sohan Lal Dugar in the matter of dealings in Illiquid Stock Options at BSE

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted investigation for the period between April 1, 2014 and September 30, 2015 (hereinafter referred to as "Investigation Period") into instances of set of entities consistently making profits by their trading in options on stocks which were listed on Bombay Stock Exchange (hereinafter referred to as "BSE") and a set of entities consistently making losses. It was noted that these trades were being reversed on the same day or the next day. Further, the counter parties appeared to be same for these transactions. It was found that a total of 2, 91, 643 trades comprising of 81.38% of all the trades executed in the BSE Stock Options Segment were found to be non-genuine. It was also found that these transactions were being squared off but with significant difference in value of sell and buy which allegedly created false and misleading appearance of trading, generating artificial volumes in the Stock Options Segment of BSE during the investigation period.
2. In view of the above, vide order dated July 06, 2021 (Annexure A), the undersigned was appointed as Adjudicating Officer under Section 15I (1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "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'"), to inquire into and adjudge under Section 15HA of the SEBI Act the alleged violations of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (hereinafter, referred to as "PFUTP Regulations, 2003") by Sohan Lal Dugar (PAN: AGUPD4142J) (hereinafter, referred to as "Noticee") in the matter of trading in illiquid stock options on BSE.

3. It was alleged that the Noticee is one of the entity who indulged in reversal trades in unique contracts with same counter party on the same day. Summary of all the trades of Noticee in Stock Options segment of BSE during the investigation period are given in Annexure B. Trades of the Noticee in the contract of BHEL15APR220.00CEW1 are also tabulated as under:

Avg. Sell Rate (Rs.)	Total Sell Volume (no. of units)	Avg. Buy Rate (Rs.)	Total Buy Volume (no. of units)	Total 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
20.3	100000	10.25	100000	200000	100	6.69

4. Following are the observation from the trades executed by the Noticee in the contract of BHEL15APR220.00CEW1:
- the Noticee executed one trade reversal through two non-genuine transactions on March 26, 2015 and all the transactions were with same counter party i.e., Adarsh Credit Co Op Society Limited;
 - the Noticee bought 1,00,000 units at a price of Rs. 10.25/- per unit at 10:08:06 hrs on March 26, 2015 from Adarsh Credit Co Op Society Limited;
 - the Noticee sold all the units sold i.e., 1,00,000 units, at a price of Rs.20.3/- per unit at 10:18:21 hrs on the same day to Adarsh Credit Co Op Society Limited;
 - Noticee executed the buy and sell trades with a significant price difference of Rs.10.05/- within a span of 11 Minutes;
 - since Noticee traded in one contract i.e., BHEL15APR220.00CEW1, 100% of his trade was in the said contract;
 - total artificial trade volume of Noticee was 6.69% of the total volume traded in the contract of BHEL15APR220.00CEW1. Details of all the trades in the said contract during the investigation period are given in Annexure C.
5. In view of the aforesaid conduct of the Noticee, it is alleged that Noticee, by indulging in execution of non-genuine reversal of trades in Stock Options with same entity on the same day, created false and misleading appearance of trading in stock options and therefore allegedly violated Regulations 3(a), (b), (c), (d), 4(1), 4(2) (a) of PFUTP Regulations, 2003.
6. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under section 15HA of the SEBI Act.
7. You are, therefore, called upon to show cause as to why an inquiry should not be held in terms of Rule 4 of the Rules read with section 15I of the SEBI Act, and why penalty should not be imposed under section 15HA of the SEBI Act.
8. Your reply, if any, should reach the undersigned at the following address i.e. Jai Sebastian, General Manager & Adjudicating Officer, SEBI Bhavan-II, Plot No. C7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051 or through email at jais@sebi.gov.in and amit@sebi.gov.in within 14 days from the date of receipt

of this Notice, failing which it shall be presumed that the Noticee has no reply to submit and the matter would be proceeded with on the basis of the evidence available on record in terms of sub-rule (7) of Rule 4 of SEBI Rules.

9. Further, you are advised to provide a photocopy of your PAN card and inform the undersigned about any change in your correspondence address, telephone number/ e-mail id, till the conclusion of the proceedings.
10. The Noticee may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If the Noticee wishes to opt for the settlement process, Noticee may apply for the same in the manner given in the aforesaid Regulations under intimation to the undersigned. Further, Noticee may note that filing of settlement application does not confer any right to seek the settlement of the proceedings.

JAI

SEBASTIAN

Digitally signed
by JAI SEBASTIAN
Date: 2021.08.12
16:34:27 +05'30'

ADJUDICATING OFFICER

Enclosures:

Annexure	Description of the document	No. of pages
A	Communique dated July 6, 2021 appointing Adjudicating Officer	3
B	Summary of all trades of Noticee in Stock Options segment of BSE during the investigation period	1
C	Details of all the trades done in the aforesaid contract during the investigation period	4

Annexure-A

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 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 adjudge 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 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 6th day of July 2021.

Bhavana R.K.

BHAVANA RAVIKUMAR

GENERAL MANAGER

SECURITIES AND EXCHANGE BOARD OF INDIA

Extracts of Annexure to Order communicating appointment of Adjudicating Officer

List of Adjudicating officers

S. No.	Case ID	Case Name	PAN Number	Entity Name	AO Name
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2171	210015910	ISO at BSE-SOHAN LAL DUGAR	AGUPD4142J	SOHAN LAL DUGAR	Jai Sebastian
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Annexure -B

S. No.	TRADE_DATE	PANNO	CLIENTNAME	CP_PANNO	CP_CLIENTNAME	TRADE_TIME	TRADE_RATE	TRADED_QTY	SCRIPNAME
1	26/03/2015	AAAJA0296J	ADARSH CREDIT CO OP SOCIETY LIMITED	AGUPD4142J	SOHAN LAL DUGAR	10:18:21.724654	20.3	100000	BHEL15APR220.00CEW1
2	26/03/2015	AGUPD4142J	SOHAN LAL DUGAR	AAAJA0296J	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	100000	BHEL15APR220.00CEW1

Annexure-C

S. No.	TRADE DATE	CLIENTNAME	CP CLIENTNAME	TRADE TIME	TRADE RATE	TRADED_QTY	SCRIPNAME
1	20/03/2015	LAKHMICHAND SHREECHAND HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	39000	BHEL15APR220.00CEW1
2	20/03/2015	OM PRAKASH SINGHANIA HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	44000	BHEL15APR220.00CEW1
3	20/03/2015	SURAJGARH COMMERCIAL PRIVATE LIMITED	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	32000	BHEL15APR220.00CEW1
4	20/03/2015	KANTA DEVI AGARWAL	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.65	1000	BHEL15APR220.00CEW1
5	20/03/2015	SHRIYA GOENKA	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	39000	BHEL15APR220.00CEW1
6	20/03/2015	RAJ KUMARI TODI	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	22000	BHEL15APR220.00CEW1
7	20/03/2015	SHRUTI DAGA	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	39000	BHEL15APR220.00CEW1
8	20/03/2015	PINKI TIBREWAL	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	44000	BHEL15APR220.00CEW1
9	20/03/2015	EKTA AGARWAL	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	31000	BHEL15APR220.00CEW1
10	20/03/2015	KANTA DEVI AGARWAL	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	15000	BHEL15APR220.00CEW1
11	20/03/2015	SHREE CHAND DAGA AND OTHERS HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	32000	BHEL15APR220.00CEW1
12	20/03/2015	SITA DEVI TIBREWALA	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	44000	BHEL15APR220.00CEW1
13	20/03/2015	BASUDEO BERIWALA HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	29000	BHEL15APR220.00CEW1
14	20/03/2015	SONI TODI	ADARSH CREDIT CO OP SOCIETY LIMITED	10:22:53.595913	21.6	22000	BHEL15APR220.00CEW1
15	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	RAJ KUMARI TODI	11:14:45.670618	31	22000	BHEL15APR220.00CEW1
16	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	OM PRAKASH SINGHANIA HUF	11:15:10.271597	30.95	44000	BHEL15APR220.00CEW1

17	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SURAJGARH COMMERCIAL PRIVATE LIMITED	11:16:04.373774	30.95	32000	BHEL15APR220.00CEW1
18	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SHRIYA GOENKA	11:19:49.032855	30.7	39000	BHEL15APR220.00CEW1
19	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SONI TODI	11:14:29.869957	30.95	22000	BHEL15APR220.00CEW1
20	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	KANTA DEVI AGARWAL	11:14:02.168828	31	16000	BHEL15APR220.00CEW1
21	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SHREE CHAND DAGA AND OTHERS HUF	11:15:51.973325	31	32000	BHEL15APR220.00CEW1
22	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	BASUDEO BERIWALA HUF	11:16:33.374959	31	29000	BHEL15APR220.00CEW1
23	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	EKTA AGARWAL	11:16:16.274273	30.95	31000	BHEL15APR220.00CEW1
24	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SHRUTI DAGA	11:16:58.675991	31.05	39000	BHEL15APR220.00CEW1
25	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	LAKHIMCHAND SHREECHAND HUF	11:17:10.676471	31	39000	BHEL15APR220.00CEW1
26	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SITA DEVI TIBREWALA	11:15:21.172023	31	44000	BHEL15APR220.00CEW1
27	20/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	PINKI TIBREWAL	11:15:34.572584	31.05	44000	BHEL15APR220.00CEW1
28	23/03/2015	RAGHAV COMMODITIES	ANISH BHATIA	11:51:49.799449	24.9	25000	BHEL15APR220.00CEW1
29	23/03/2015	ANISH BHATIA	RAGHAV COMMODITIES	11:51:44.216108	16.1	25000	BHEL15APR220.00CEW1
30	25/03/2015	ANUSHIKHA INVESTMENTS PRIVATE LIMITED	XION GEMS & JEWELLERS PRIVATE LIMITED	15:20:09.657459	17.1	100000	BHEL15APR220.00CEW1
31	25/03/2015	XION GEMS & JEWELLERS PRIVATE LIMITED	ANUSHIKHA INVESTMENTS PRIVATE LIMITED	15:10:47.251082	27.9	454000	BHEL15APR220.00CEW1
32	25/03/2015	ANUSHIKHA INVESTMENTS PRIVATE LIMITED	XION GEMS & JEWELLERS PRIVATE LIMITED	15:20:47.736355	17.45	111000	BHEL15APR220.00CEW1
33	25/03/2015	ANUSHIKHA INVESTMENTS PRIVATE LIMITED	XION GEMS & JEWELLERS PRIVATE LIMITED	15:20:33.358403	17.3	128000	BHEL15APR220.00CEW1
34	25/03/2015	ANUSHIKHA INVESTMENTS PRIVATE LIMITED	XION GEMS & JEWELLERS PRIVATE LIMITED	15:20:19.257840	17.25	115000	BHEL15APR220.00CEW1
35	26/03/2015	NUPUR KUMARI	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	50000	BHEL15APR220.00CEW1
36	26/03/2015	JAMSHEDPUR SECURITIES LIMITED	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	50000	BHEL15APR220.00CEW1

37	26/03/2015	VISHAL JAIN	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.3	1000	BHEL15APR220.00CEW1
38	26/03/2015	MAMTA KUMARI	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	50000	BHEL15APR220.00CEW1
39	26/03/2015	VISHAL JAIN	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	19000	BHEL15APR220.00CEW1
40	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SOHAN LAL DUGAR	10:18:21.724654	20.3	100000	BHEL15APR220.00CEW1
41	26/03/2015	N K AGARWAL & OTHERS HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	70000	BHEL15APR220.00CEW1
42	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	MAMTA KUMARI	10:18:54.848130	20.25	50000	BHEL15APR220.00CEW1
43	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	RIDDHI BENEFICIARY TRUST	10:20:36.273229	20.4	30000	BHEL15APR220.00CEW1
44	26/03/2015	SOHAN LAL DUGAR	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	100000	BHEL15APR220.00CEW1
45	26/03/2015	SWATI BAJAJ	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	23000	BHEL15APR220.00CEW1
46	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	REKHA BAGLA	10:18:31.347383	20.25	100000	BHEL15APR220.00CEW1
47	26/03/2015	MADHU GOEL	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	33000	BHEL15APR220.00CEW1
48	26/03/2015	OMPRAKASH SINGHANIA HUF	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	20000	BHEL15APR220.00CEW1
49	26/03/2015	REKHA BAGLA	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	100000	BHEL15APR220.00CEW1
50	26/03/2015	RIDDHI BENEFICIARY TRUST	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	30000	BHEL15APR220.00CEW1
51	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	N K AGARWAL & OTHERS HUF	10:18:42.497007	20.25	70000	BHEL15APR220.00CEW1
52	26/03/2015	SALIL CHEMICAL INDUSTRIES	ADARSH CREDIT CO OP SOCIETY LIMITED	10:08:06.816857	10.25	25000	BHEL15APR220.00CEW1
53	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SWATI BAJAJ	10:20:28.128901	20.35	23000	BHEL15APR220.00CEW1
54	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	OMPRAKASH SINGHANIA HUF	10:20:52.784045	20.45	20000	BHEL15APR220.00CEW1
55	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	NUPUR KUMARI	10:19:09.827421	20.3	50000	BHEL15APR220.00CEW1

56	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	JAMSHEDPUR SECURITIES LIMITED	10:20:43.408630	20.4	50000	BHEL15APR220.00CEW1
57	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	SALIL CHEMICAL INDUSTRIES	10:20:18.303757	20.4	25000	BHEL15APR220.00CEW1
58	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	MADHU GOEL	10:20:02.992796	20.3	33000	BHEL15APR220.00CEW1
59	26/03/2015	ADARSH CREDIT CO OP SOCIETY LIMITED	OMPRAKASH SINGHANIA HUF	10:21:11.758874	20.45	20000	BHEL15APR220.00CEW1
60	26/03/2015	OMPRAKASH SINGHANIA HUF	VISHAL JAIN	10:59:09.089949	21.7	20000	BHEL15APR220.00CEW1

