



**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. Order/AK/DS/2026-27/32417]**

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**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA  
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING  
INQUIRY AND IMPOSING PENALTIES) RULES, 1995.**

In respect of  
**DINBANDHU CONSTRUCTION PRIVATE LIMITED**  
**(PAN: AACCD8172B)**

In the matter of Trading in Illiquid Stock Options on BSE

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**BACKGROUND OF THE CASE**

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (hereinafter referred to as “**BSE**”). SEBI observed that such large scale reversal of trades in stock options lead to creation of artificial volume at BSE. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid stock options at BSE for the period April 1, 2014 to September 30, 2015 (hereinafter referred to as “**IP**”).
2. Pursuant to investigation, it was observed that total 2,91,744 trades comprising substantial 81.40% of all the trades executed in stock options segment of BSE during the IP were non genuine trades. The aforesaid non-genuine trades resulted into creation of artificial volume in stock options segment of BSE during the IP. It was observed that Dinbandhu Construction Private Limited (PAN – AACCD8172B) (hereinafter referred to as the “**Noticee**”) was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in stock options and therefore were alleged to be manipulative, deceptive in nature. In view of the same, SEBI initiated adjudication



proceedings against the Noticee for violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations, 2003”).

### **APPOINTMENT OF ADJUDICATING OFFICER**

3. Ms. Asha Shetty was appointed as Adjudicating Officer in the matter, conveyed vide communique dated July 27, 2022, under section 19 read with Section 15-I(1) of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”) to conduct adjudication proceedings in the manner specified under Rule 4 of Adjudication Rules read with Section 15-I(1) and (2) of SEBI Act, 1992, and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of Adjudication Rules and Section 15HA of SEBI Act, 1992. Pursuant to her transfer, the undersigned was appointed as the Adjudicating Officer in the matter vide Order dated April 03, 2025.

### **SHOW CAUSE NOTICE, REPLY AND HEARING**

4. A Show Cause Notice dated August 04, 2022 (hereinafter referred to as ‘**SCN**’) was issued via SPAD and email to the Noticee under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against it for the alleged violation of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations, 2003 and why penalty should not be imposed under section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by Noticee. In the SCN, the Noticee was informed about 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 and in case, Noticee does not wishes to avail of the facility under the SEBI Settlement Scheme, 2022, Noticee was advised to file a reply to the SCN within 30 days of the receipt of the SCN. The SCN was delivered to the Noticee’s address via SPAD and also through email. However,



no response was received from the Noticee, nor did it avail the aforesaid Settlement Scheme.

5. The SCN issued to the Noticee inter-alia alleged the following:

5.1. It was observed from the trade data of the Noticee that it had allegedly executed 8 non-genuine trades in 2 contracts, which resulted in creation of artificial volume of 14,55,000 units. These alleged non-genuine trades, executed by Noticee in above contracts, had significant difference in the buy rates and sell rates considering that the trades were reversed on same day.

5.2. In view of the above, it was alleged that the Noticee, by indulging in execution of reversal trades in Stock Options with same entities on the same day, which were non-genuine in nature, had created false or misleading appearance of trading in the alleged contracts in the options segment of BSE. As these contracts were illiquid in nature, the Noticee allegedly created artificial volume in stock options which was manipulative and deceptive in nature. Therefore, it was alleged that the Noticee violated the provisions of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.

6. Pursuant to appointment of the undersigned as the AO, it was observed from the website of Ministry of Corporate Affairs (MCA) that the status of the Noticee was shown as "Converted to LLP". Based on the perusal of details which were available in the MCA records, I note the following:

6.1. The Noticee i.e Dinbandhu Construction Private Limited was registered at RoC Kolkata under CIN No. U45400WB2008PTC123634. The date of Incorporation was on March 05, 2008, with registered office address at Stephen House, 5th Floor, FL-89 4 B.B.D. BAG (East), Kolkata, West Bengal - 700001 and email id: [parasdidwania@gmail.com](mailto:parasdidwania@gmail.com). The Paid up share capital of the Noticee was Rs. 24,00,000. Its directors as on April 24, 2019 included Mr. Dwarka Prasad Didwania and Mr. Mayank Didwania.

6.2. Dinbandhu Construction LLP (LLPIN: AAP-0658) is registered at RoC, Kolkata. Its date of incorporation was April 25, 2019, with registered office address at Stephen House, 5th Floor, FL-89 4 B.B.D. BAG (East), Kolkata, West Bengal - 700001 and email id: [parasdidwania@yahoo.com](mailto:parasdidwania@yahoo.com). The total



obligation of contribution is Rs. 24,00,000. Its designated partners since its incorporation are Mr. Dwarka Prasad Didwania, Mr. Vikram Didwania and Mr. Mayank Didwania.

7. I find that the Noticee was converted to LLP with effect from April 25, 2019, pursuant to section 58(1) of the Limited Liability Partnership Act, 2008 (“**LLP Act**”). Section 56 of the LLP Act r/w paragraph 6 (c) of the Third Schedule of the LLP Act provides that, on and from the date of issuance of certificate for conversion of the Private Limited Company to LLP, the company shall be deemed to be dissolved and removed from the records of the Registrar of the Companies. Hence, based on the above observations, it is evident that the Noticee i.e. Dinbandhu Construction Private Limited was converted to LLP and the Noticee as a company stood dissolved with effect from April 24, 2019, and was not in existence as a legal entity when the instant adjudication proceedings were initiated against the Noticee vide SCN dated August 04, 2022.
8. In view of my findings noted in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby dispose of the Adjudication Proceedings initiated against Noticee viz. Dinbandhu Construction Private Limited, vide SCN dated August 04, 2022.
9. In terms of rule 6 of the Adjudication Rules, 1995, copy of this order is sent to SEBI.

**Place: Mumbai**

**Date: May 26, 2026**

**AMIT KAPOOR**

**ADJUDICATING OFFICER**