BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO: SL/NR/2022-23/24637

UNDER SECTION 15 - I OF THE 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:

Late Smt., Pushpa Devi Kedia
(PAN: AFUPK6017L)

In the matter of dealings in Illiquid Stock Options at BSE

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter be referred to as, the "***SEBI***") conducted investigation into the trading activity in illiquid stock options on BSE Limited (hereinafter be referred to as, the "***BSE***") for the period April 01, 2014 to September 30, 2015 (hereinafter be referred to as, the "***Investigation Period***") after observing large scale reversal of trades in the Stock Options segment of the BSE.

2. The investigation revealed that during the Investigation Period, a total of 2,91,643 trades comprising 81.38% of all the trades executed in the BSE Stock Options Segment were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. It was observed that Pushpa Devi Kedia (hereinafter be referred to as, the "***Noticee***") was one such clients whose reversal trades involved squaring off open positions with a significant difference without any basis for such change in the contract price. The aforesaid reversal trades allegedly resulted into generation of artificial volumes, leading to allegations that the Noticee had violated the provisions of Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (a) of the SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Markets) Regulations, 2003 (hereinafter be referred to as, the "***SEBI PFUTP Regulations***").

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI initiated adjudication proceedings and appointed the undersigned as the Adjudicating Officer vide order dated July 2, 2021 under Section 19 read with Sub-section (1) of Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as, the "***SEBI Act***") and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 *(hereinafter referred to as the "**SEBI Adjudication Rules**")* to inquire into and adjudge under Section 15HA of the SEBI Act, against the Noticee for the alleged violations of the aforesaid provisions of SEBI (PFUTP) Regulations. The appointment of the AO was communicated vide order dated July 6, 2021.

SHOW CAUSE NOTICE AND REPLY

4. A Show Cause Notice dated November 30, 2021 (hereinafter referred to as the '***SCN***') was served upon the Noticee under Rule 4 (1) of the SEBI Adjudication Rules, to show cause as to why an inquiry should not be held and penalty be not imposed against her under Section 15HA of SEBI Act for the aforementioned alleged violation of the provisions of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the SEBI (PFUTP) Regulations. Vide letter dated December 14, 2021, Legal Representative of the Noticee denied each and every allegation made in the SCN.

5. Subsequently, a Notice dated August 5, 2022 was served on the Noticee informing her 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. Vide the said notice the Noticee was informed that in case, she does not wish to avail of the facility under the SEBI Settlement Scheme, 2022, the Noticee may file her reply to the SCN within 14 days of receipt of the Notice.

6. Vide email dated November 16, 2022 received from Mr. Sundeep Kedia, the undersigned was informed that the Noticee had passed away on June 18, 2021. In this regard, a copy of death certificate issued by the Kolkata Municipal

Corporation has been produced. The death certificate was verified from the website of Kolkata Municipal Corporation, which indicates the date of death of Smt., Pushpa Devi Kedia as June 18, 2021.

7. Thus, the proceedings are against the acts of omission and commission of person, who is no more to face the charges. In this regard, it is relevant to note that the Hon'ble Supreme Court in the case of *Girijandini vs. Bijendra Narain* (AIR 1967 SC 2110), inter-alia held that in case of personal action, i.e., the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives, and in such cases, the maxim "*actio personalis moritur cum persona"* (personal action dies with the death of the person) would apply.

8. In view of the above, I am of the view that the adjudication proceedings initiated against the Noticee does not survive and is liable to be abated without going into the merits of the case. Consequently, no penalty is imposed on the Noticee who is since deceased and the Adjudication Proceedings against the Noticee stand abated

ORDER

9. In view of the foregoing, the Adjudication Proceedings initiated against the Noticee viz., Late Smt., Pushpa Devi Kedia (PAN: AFUPK6017L) vide SCN dated November 30, 2021 are disposed of.

10. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is sent to the last known address of the Noticee and also to SEBI.

Date: March 15, 2023 **SIDDHESH LOTLIKAR**
Place: Mumbai **ADJUDICATING OFFICER**