

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: Order/VV/PSS/2023-24/26530]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

In respect of:

Urmilaben Shah

PAN: ADUPS2225C

In the matter of trading in Illiquid Stock Options at BSE

1. Securities and Exchange Board of India ("**SEBI**") has initiated Adjudication Proceedings against Prakash Chandra Gupta ("**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. Pursuant to investigation, it was observed that during the investigation period, the Noticee had indulged in reversal trades, which allegedly created false and misleading appearance of trading there by 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. In the above facts and circumstances, it was alleged by SEBI that the Noticee 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) and 4(1) and 4(2)(a) of the PFUTP Regulations.
3. In this connection, DGM Mr. Ashutosh Arun 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 under Rule 5 of the Adjudication Rules, the alleged violations by the Noticee

and determine whether penalty under Section 15HA of the SEBI Act is liable to be imposed upon the Noticee. Accordingly, in terms of Rule 4(1) of the Adjudication Rules read with Section 15I of the SEBI Act, a notice to show cause dated 21/12/2021 ("**SCN**") was issued to the Noticee calling upon her to show cause as to why an inquiry should not be held against him in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under Section 15HA of the SEBI Act for the aforesaid alleged violations. The SCN sent to the Noticee was duly served upon the Noticee *via* SPAD/email. Vide order dated March 17, 2023, the instant case was transferred to the Undersigned.

4. Vide letter dated 07/08/2022, son of the Noticee Deepak Shah, informed that Noticee, Urmilaben Shah had passed away on 22/03/2022. I note that a death certificate dated 28/06/2022 issued by Department of Health and Family Welfare, Gujarat bearing certificate no. D202220241461 is available on record which mentions the date of death of the Noticee as 22/03/2022.
5. In this case, the allegations have been levelled against the Noticee in her personal capacity. Thus, the proceedings are against the acts of omission and commission of a person who is no more to face the charges. In view of the foregoing, I am of the view that the proceedings against the Noticee are liable to be abated without going into the merits of the case and the SCN dated 29/09/2021 issued against the Noticee is disposed of accordingly.
6. Thus, I am of the view that instant matter does not deserve further inquiry under rule 4(3) of the Adjudication Rules *qua* this Noticee and accordingly, I proceed to dispose of this matter
7. In terms of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticee's last known address and also to SEBI.

Date: May 18, 2023

Place: Mumbai

Vijayant Kumar Verma

Adjudicating Officer