

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/MC/RM/2021-22/15030]

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 –

1. **Madhu** (PAN – BAOPM9205L) having address at Flat No 402, Tower 5, Uniworld Garden, Sector 47, Gurgaon, Haryana, 122018

In the matter of Illiquid Stock Options at BSE.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, the “**SEBI**”), initiated adjudication proceedings under Section 15HA of SEBI Act, 1992 (hereinafter be referred to as, the “**SEBI Act**”) against Ms. Madhu (hereinafter referred to as “**Noticee**”) in the matter of illiquid stock options at Bombay Stock Exchange Ltd. (hereinafter referred hereinafter referred to as ‘**BSE**’). Adjudication proceedings were initiated against the Noticee for alleged violations of Regulations 3(a), (b), (c), (d) and 4(1), (2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as the “**PFUTP Regulations**”) pursuant to investigation into the trading activity 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**”).

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI appointed the undersigned as Adjudicating Officer (hereinafter referred to as “**AO**”) vide order dated June 21, 2021 to inquire into and adjudge under Section

Adjudication Order in respect of Ms. Madhu in the matter of Illiquid Stock Options at BSE.

15HA of the SEBI Act, the aforesaid alleged violations against the Noticee. The appointment of the AO was communicated vide order dated July 27, 2021.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/RM/1661/2022 dated January 12, 2022 (hereinafter be referred to as, the “**SCN**”) was served upon the Noticee under Rule 4 of the SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') read with section 15I of the SEBI Act, to show cause as to why an inquiry should not be held and penalty be not imposed against her under Section 15HA of the SEBI Act for the alleged violations of Regulations 3(a), (b), (c), (d) and 4(1), (2)(a) of the PFUTP Regulations.
4. The undersigned was informed vide email dated January 24, 2022 by Mr. Deep Aggarwal, the authorized representative of Ms. Madhu (son in law of Ms. Madhu) that Ms. Madhu (Noticee) had passed away on July 30, 2020. Copy of Death Certificate to this effect has been produced along with the said email. The death certificate was verified from the website of Office of the Registrar General & Census Commissioner, India. Further certain clarification was sought from Mr. Deep Aggarwal in respect of mismatch in name and address in death certificate. Vide email dated February 02, 2022 Mr. Deep Aggarwal has submitted clarification along with PAN card copy, Aadhar Card Copy and Passport Copy of Ms. Madhu.
5. I note that the Hon'ble Supreme Court's Order in the case of *Girija Nandini vs. Bijendra Narain Choudhury (AIR 1967 SC 2110)* has stated that in case of personal actions, 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 “*action personalis moritur cum persona*” (personal action dies with the death of the person) would apply, and the said view was subsequently followed by SEBI in the case of M/s. Sakthi Finance Limited, wherein Adjudication Proceedings against Late N. Mahalingam were abated. In the present case, I note from the copy of the Death Certificate that Noticee had passed away

on May 16, 2018. Thus, the Noticee had passed away before initiation of the instant adjudication proceedings against her.

6. Therefore, relying on the aforementioned Order of Hon'ble Supreme Court, I am of the view that the adjudication proceedings initiated against Ms. Madhu will not survive and are liable to be abated without going into the merits of the case. Consequently, no penalty is imposed on the Noticee i.e. Ms. Madhu, and the Adjudication Proceedings shall stand abated.

ORDER

7. After taking into consideration all the facts and circumstances of the case, the Adjudication Proceedings initiated against Noticee i.e. Ms. Madhu vide SCN no.EAD5/MC/RM/1661/2022 dated January 12, 2022 are disposed of.
8. Copy of this Adjudication Order is being sent to the Noticee and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: February 18, 2022

PLACE: MUMBAI

MANINDER CHEEMA

ADJUDICATING OFFICER