BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. Order/SS/RP/2022-23/21910
UNDER SECTION 15-I(1) 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
Late Droupdi Devi Jalan
(PAN: AJJPJ8257C)
In the matter of Trading in Illiquid Stock Options on BSE

BACKGROUNG OF THE CASE

1. Securities and Exchange Board of India (herein referred to as "SEBI") observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (herein 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 01, 2014 to September 30, 2015 (herein referred to as "Investigation Period/IP").
2. Pursuant to investigation, it was observed that total 2,91,744 trades comprising substantial 81.4% 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 the creation of artificial volume in stock options segment of BSE during the IP. It was observed that Droupdi Devi Jalan (PAN: AJJPJ8257C) (hereinafter referred to as the "Noticee") was one of the various entities/persons who indulged in the 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 volume 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) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices related to Securities Market) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations, 2003"), in the matter of trading in illiquid stock options on the Bombay Stock Exchange Ltd. ("BSE")

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer in the matter, conveyed vide communique dated July 06, 2021, under Section 19 read with Section 15-I(1) of the SEBI Act, 1992 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 conduct adjudication proceedings in the manner specified under Rule 4 of the Adjudication Rules read with sub-section (1) and (2) of Section 15-I of SEBI Act and

if satisfied that penalty is liable, impose such penalty, deemed fit in terms of the Rule 5 of the SEBI Rules and provisions of Sections 15 HA of the SEBI Act, 1992.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A show cause notice bearing reference number SEBI/IVD-8/SCN/AO-SS/SP/2021/33477/1 dated November 22, 2021 (referred to as 'SCN') was issued to the Noticee under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against her and why penalty should not be imposed under Section 15 HA of the SEBI Act. 1992 for the alleged violation of the provisions of 3(a), (b), (c), (d) and 4(1), 4(2)(a) of SEBI "PFUTP Regulations, 2003".

5. The adjudicating officer was informed by the Noticee's grandson Niraj Jalan, vide email dated January 18, 2022, that the Noticee passed away on April 27, 2021. Vide email dated August 01, 2022, the copy of the death certificate of the noticee was sought and vide email dated August 10, 2022, Niraj Jalan provided the death certificate of the Noticee, issued by South Dum Dum Municipality, Department of Health and Family Welfare, Government of West Bengal. It is observed that the address of the Noticee mentioned in the death certificate is same as mentioned in the SCN. It was concluded that the death certificate provided belongs to the Noticee.

6. Thus, the proceedings are against the acts of the omission and commission of a person who is no more to face the charges. In this regard, it is worth mentioning that in Girijanandini Vs Bijendra Narain (AIR 1967 SC 2110), the Hon'ble Supreme Court 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 representative and in such cases the *maxim action personalis moritur cum persona* (personal dies with the death of the person) would apply. It is also relevant to refer to the decision of the Hon'ble Securities Appellate Tribunal in Chandravadan J Dalal vs. SEBI (Appeal no.35/2004 decided on June 15, 2005) wherein it was held that: "The appeal abates since the appellant during the pendency of the appeal died on November29, 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates."

Order

7. In view of the foregoing, I am of the view that the instant adjudication proceedings against the Noticee Late Droupdi Devi Jalan viz. (PAN: AJJPJ8257C) vide SCN reference number SEBI/IVD-8/SCN/AO-SS/SP/2021/33477/1 dated November 22, 2021 are disposed of.
8. In terms of rule 6 of the Adjudication Rules, 1995, copy of this order is sent to the Noticee's last known address.

Date: December 08, 2022 Sanjay G Sarwade

Place: Mumbai ADJUDICATING OFFICER