

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO: SL/NR/2021-22/15794**

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 Kariwala
(PAN: AEUPK9153N)**

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 Kariwala (hereinafter be referred to as, the “**Noticee**”) was one such client 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 15I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter be referred to as, the “**SEBI Adjudication Rules**”) to inquire into and adjudge under Section 15HA of 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 be 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 alleged violation of the provisions of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the SEBI (PFUTP) Regulations.
5. Vide letter dated January 6, 2022 received from Mr. Vikram Kariwala, Son the Noticee, the undersigned was informed that the Noticee had passed away on May 31, 2018. In this regard, a copy of death certificate issued by the Howrah Municipal Corporation has been produced. However, I note from the death certificate that Smt., Pushpa Kariwala expired on February 16, 2018.
6. 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.

7. 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

8. In view of the foregoing, the Adjudication Proceedings initiated against the Noticee viz., Late Smt., Pushpa Kariwala (PAN: AEUPK9153N) vide SCN dated November 30, 2021 are disposed of.
9. 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 31, 2022
Place: Mumbai

SIDDHESH LOTLIKAR
ADJUDICATING OFFICER