

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: ORDER/VKV/AS/2022-23/19289]

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

In respect of:

Ms. Savitaben J Shah,

PAN: BNVPS1565D

A – 202, New Mangalm CHS, College Road,
Navghar Umele, Vasai West, Thane – 401202 (Maharashtra).

1. Securities and Exchange Board of India (**SEBI**) has initiated Adjudication Proceedings against Ms. Savitaben J Shah (hereinafter referred to as “**Noticee**”), under SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**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 (hereinafter referred to as “**PFUTP Regulations**”), in the matter of trading in illiquid stock options at Bombay Stock Exchange Ltd. (hereinafter referred to as “**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 thereby 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, the undersigned 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.
4. Accordingly, in terms of Rule 4(1) of the Adjudication Rules read with Section 15I of the SEBI Act, a notice to show cause no. SEBI/HO/EAD/EAD-9/P/OW/2022/0000033887/1 dated

August 03, 2022 (hereinafter referred to as ‘SCN’) was issued to the Noticee calling upon her to show cause as to why an inquiry should not be held against her 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 served upon the Noticee *via* digitally signed e-mail on e-mail id - ilachishah@gmail.com on August 13, 2022.

5. Thereafter, vide e-mail dated August 23, 2022, the Noticee’s son Mr. Ilachi Shah informed that her mother Ms. Savitaben J. Shah, the Noticee had died on April 19, 2021 at the age of 82 years due to Covid – 19. Further, vide e-mail dated August 25, 20122, Mr. Ilachi Shah provided the copy of death certificate of the Noticee in this regard. Since the soft copy of death certificate provided by the Noticee was in .dat format and was not opening, accordingly, vide e-mail dated August 30, 2022, Mr. Shah was requested to provide the legible copy of the death certificate (*preferably in pdf/ jpg/ jpeg format*) of Mrs. Savitaben J Shah, the Noticee. Vide e-mail dated September 05, 2022, Mr. Shah has provided pdf copy of death certificate of the Noticee.
6. In view of the fact of demise of the Noticee in April, 2021, no reply /submissions can be procured for considering this case under Rule 4(2) of the Adjudication Rules for further inquiry *qua* this Noticee. I am, therefore, of the opinion that matter does not deserve further inquiry under Rule 4(3) of the Adjudication Rules *qua* this Noticee and therefore, I proceed to dispose of this matter accordingly.
7. From the certificate issued by the Department of Health, Government of Maharashtra, I note that the Noticee has expired on April 19, 2021 and notified in records on April 29, 2021, wherein, a death certificate dated 24/11/2021 was issued by Sub- Registrar (Birth & death), Municipal Corporation of Greater Mumbai R South Ward bearing registration no. D – 2021; 27-90279-001675. 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 *qua* him and the SCN dated August 03, 2022 issued against the Noticee is disposed of accordingly.
8. 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: September 07, 2022

Place: Mumbai

Vijayant Kumar Verma

Adjudicating Officer