

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO: MA/RM/2022-23/21060

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 Shri Ashok Kumar Jaiswal
(PAN- ACUPJ5927B)

In the matter of dealings in Illiquid Stock Options

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 2,91,744 trades comprising 81.41% 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 Ashok Kumar Jaiswal (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. Accordingly, SEBI initiated Adjudication proceedings against the Noticee and appointed the undersigned as the Adjudicating Officer vide order dated July 06, 2021 under Section 19 of the SEBI Act, 1992 read with Section 15I of the SEBI Act and Rule 3 of (SEBI Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (*hereinafter referred to "Adjudication Rules"*) to inquire into and adjudge the violations of the provisions of SEBI (PFUTP) Regulations, alleged to have been committed by the Noticee, under Section 15HA of SEBI Act.

SHOW CAUSE NOTICE AND REPLY

4. A Show Cause Notice dated October 26, 2021 (hereinafter referred to as 'SCN') was issued to the Noticee under the provisions of Rule 4 (1) of the SEBI Adjudication Rules, to show cause as to why an inquiry should not be held and penalty should not be imposed on her, under the provisions of Section 15HA of SEBI Act for the aforementioned alleged violation of the provisions of SEBI (PFUTP) Regulations.
5. Vide Email dated October 18, 2022 received from Mr. Vivek Kumar Jaiswal, the undersigned was informed that the Noticee had passed away on October 06, 2015. In this regard, notarized copy of death certificate issued by the Kolkata Municipal Corporation has been produced. The death certificate was verified from the website of Kolkata Municipal Corporation, which indicates the date of death of Shri Ashok Kumar Jaiswal as October 06, 2015.
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 do 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 Shri Ashok Kumar Jaiswal (PAN: ACUPJ5927B) vide SCN dated October 26, 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: November 03, 2022
Place: Mumbai

MOHAMMAD ATIF ALVI
ADJUDICATING OFFICER