

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SR/PP/2019-20/3728]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of
(Late) Mr. Vipin Gupta
(Address: House no. 2165
Sector 32-A, Chandigarh Road
Ludhiana, Punjab)

(PAN: ABZPG5029P)

In the matter of Parabolic Drugs Limited

BACKGROUND

1. A Department (**OD**) of Securities and Exchange Board of India (hereinafter referred to as the **SEBI**) conducted an investigation regarding trading activities in the scrip of Parabolic Drugs Limited (hereinafter referred to as **PDL / Company**) for the period from October 13, 2012 to November 11, 2012 (hereinafter referred to as **Investigation Period**). The company was listed on Bombay Stock Exchange (**BSE**) and National Stock Exchange (**NSE**) during the investigation period. During the course of investigation it was observed by OD that Mr. Vipin Gupta (hereinafter referred to as **Noticee**) has violated the provisions of regulations regulation 12(1) read with Clause 1.2 of Part A of Schedule I of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as **PIT Regulations, 1992**) read with Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations 2015 (hereinafter referred to as **PIT Regulations, 2015**)

APPOINTMENT OF ADJUDICATING OFFICER

2. Based on the said examination, OD of SEBI initiated adjudication proceedings against the Noticee, to inquire into and adjudge under section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **the SEBI Act**) for alleged violations of provisions under regulation 12(1) read with Clause 1.2 of Part A

of Schedule I of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015. The adjudication proceedings were approved by the Competent Authority. The undersigned was appointed as the Adjudicating Officer (AO) under section 15-I of the SEBI Act, 1992 r/w rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **Adjudication Rules, 1995**) to inquire into and adjudge under section 15HB of the SEBI Act, the said alleged violations of PIT Regulations, 1992 by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A Show Cause Notice dated January 16, 2017 (hereinafter referred to as **SCN**) was issued to the Noticee in terms of rule 4 of the Adjudication Rules, 1995 requiring the Noticee to show cause as to why an inquiry should not be held against it for the alleged violations of provisions under regulation 12(1) read with Clause 1.2 of Part A of Schedule I of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015 and why penalty be not imposed on the Noticee under section 15HB of the SEBI Act for the alleged violations as specified in the SCN. The SCN was issued to the Noticee through speed post acknowledgement due (SPAD) and the same was delivered.
4. During the adjudication proceedings, one Mr. Joby Mathew, the authorized representative (AR) of the Company, vide letter dated May 12, 2017, informed that the Noticee expired on July 31, 2015 and submitted the death certificate of the Noticee against whom adjudication proceedings were initiated in the matter of PBL.
5. I note from the death certificate that the Noticee passed away on July 31, 2015. In this regard, it is pertinent to refer the matter of Padmalaya Telefilms Ltd. (November 2, 2006), the Hon'ble Whole Time Member (WTM), SEBI inter-alia held that *"...Since the proceedings were initiated against the personal acts of omission of a person who is no more alive to face the penalty, the proceedings against him are liable to be abated"*. Further, in Girijandini vs. Bijendra Narain (1967 AIR 1124), the Hon'ble Supreme Court, inter-alia observed 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. The Hon'ble Securities Appellate Tribunal has also held in Chandravadan J Dalal Vs. SEBI that *"The appeal abates since the appellant during the pendency of the appeal died on 29th November, 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates."*

6. In view of the above, the adjudication proceedings initiated against late Mr. Vipin Gupta is liable to be abated without going into the merits of the case. The said SCN in respect of late Mr. Vipin Gupta is accordingly disposed of.

ORDER

7. In view of the above paragraphs, I hereby dispose of the adjudication proceedings initiated against the Noticee i.e. Mr. Vipin Gupta vide SCN dated January 16, 2017 without going into the merit of the case.
8. In terms of the rule 6 of the Adjudication Rules, 1995, copy of this order is sent to the Noticee at his last known address and also to Securities and Exchange Board of India.

Date: July 25, 2019

Place: Mumbai

SANGEETA RATHOD

ADJUDICATING OFFICER