BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: AO/RK/MK/2022-23/22342]

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

In respect of:
Smt. Vijaya Rani Agarwal
(PAN: ABHPA1345E)
In the matter of dealings in Illiquid Stock Options at the Bombay Stock Exchange

---

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) as part of its ongoing surveillance, observed large scale reversal of trades in the Stock Options segment of the Bombay Stock Exchange (hereinafter referred to as **"BSE"**). In this regard, SEBI conducted an investigation into the trading activity in the illiquid Stock Options segment at the BSE for the period April 01, 2014 to September 30, 2015 (hereinafter referred to as **"Investigation Period"**).

2. Pursuant to investigation, it was observed that during the investigation period, a total of 2,91,744 trades comprising 81.41 % of all the trades executed in BSE Stock Options Segment were trades which involved reversal of the buy and sell positions by the clients and counterparties in a contract. The reversal trades involved squaring off transactions, but with significant difference in the sell value and buy

value of the transactions. The aforesaid reversal trades allegedly resulted into generation of artificial volumes. It was observed that Smt. Vijaya Rani Agarwal (hereinafter referred to as “**Noticee**”) was one of the entities which indulged in reversal trades which allegedly created false and misleading appearance of trading, generating artificial volumes in the Stock Options Segment of BSE during the investigation period and therefore allegedly violated Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Market) Regulations, 2003 (hereinafter, referred to as “**PFUTP Regulations**”)

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “SEBI Rules”) vide order dated July 02, 2021 to inquire into and adjudge under Section 15HA of the SEBI Act against the Noticee for the alleged violation of the aforesaid provisions of PFUTP Regulations, 2003.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice bearing reference no. SEBI/NRO/P/OW/2021/31097/1 dated November 02, 2021 (hereinafter referred to as “SCN”) was served upon the Noticee under Rule 4 (1) of the SEBI Rules to show cause as to why an inquiry should not be initiated against the Noticee and why penalty should not be imposed upon the Noticee under Section 15HA of the SEBI Act for the violations alleged to have been committed by the Noticee.

5. Mr. Deepesh Goyal, stated to be son of Noticee vide letter dated 29.11.2021 had informed that Noticee had passed away on 05.12.2020 and, subsequently, a

certified copy of certificate of death issued by the Government of Uttar Pradesh was provided vide the letter dated 06.12.2022. Mr. Deepesh Goyal also referred to the provisions contained under Section 28B of the SEBI Act, 1992. In view of this, Mr. Deepesh Goyal requested to drop the proceedings initiated against the Noticee.

FINDINGS

6. After perusal of the documents available on record and before proceeding in the matter on its merit, it would be in the fitness of things to first decide the preliminary issue as to whether in view of the demise of the Noticee Vijaya Rani Agarwal, the present Adjudication Proceedings against her can be continued.

7. From the said death certificate, it is noted that the Noticee expired before the initiation of the present adjudication proceedings against her and the issuance of SCN dated 02.11.2021.

8. 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 1124), *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. It is also relevant to refer to the decision of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in *Chandravand 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 appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates.*"

9. Relying on the aforementioned Order of the Hon'ble Supreme Court and Hon'ble SAT, I am of the view that the adjudication proceedings initiated against the Noticee vide SCN dated November 02, 2021 do not survive and are liable to be abated without going into the merits of the case. Consequently, the Adjudication Proceedings *qua* the Noticee stand abated.

ORDER

10. In view of the foregoing, the adjudication proceedings initiated against the Noticee, viz. Late Smt. Vijaya Rani Agarwal (PAN: ABHPA1345E) vide SCN bearing reference no. SEBI/NRO/P/OW/2021/31097/1 dated November 02, 2021 are disposed of.

11. In terms of Rule 6 of the Adjudication Rules, 1995, a copy of this order is sent to the Noticee's last known address and also to SEBI.

PLACE: NEW DELHI **RAKESH KUMAR**
DATE: December 23, 2022 **ADJUDICATING OFFICER**