

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. ORDER/NH/RJ/2022-23/25353]

**UNDER SECTION 15-I OF 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

Bimla Devi Agarwal
PAN: ADCPA8592Q

In the matter of dealings in Illiquid Stock Options at BSE

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (hereinafter referred to as "**BSE**"). SEBI observed that such large scale reversal of trades in stock options lead to creation of artificial volume at BSE. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid stock options at BSE for the period April 1, 2014 to September 30, 2015 (hereinafter referred to as "**IP**").

2. Pursuant to investigation, it was observed that total 2,91,744 trades comprising substantial 81.40% of all the trades executed in stock options segment of BSE during the IP were non-genuine trades. The aforesaid non-genuine trades resulted into creation of artificial volume in stock options segment of BSE during the IP. It was observed that Bimla Devi Agarwal (hereinafter referred to as the “**Noticee**”) was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in stock options and therefore were alleged to be manipulative and deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee for violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”).

APPOINTMENT OF ADJUDICATING OFFICER

3. Dr. Anitha Anoop was appointed as the Adjudicating Officer (hereinafter referred to as “**AO**”) in the matter vide communique dated July 26, 2022 under Section 19 of the SEBI Act, 1992 read with Section 15I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”), to inquire into and adjudge the aforementioned alleged violations of the provisions of law by the Noticees, under the provisions of Section 15HA of the SEBI Act, 1992. Pursuant to the transfer of Dr. Anitha Anoop, the undersigned was appointed as AO in the instant matter vide communique dated September 19, 2022.

SHOW CAUSE NOTICE AND REPLY

4. A Show Cause Notice bearing reference no. SEBI/Outward No. 45537/2022 dated August 26, 2022 (hereinafter referred to as “**SCN**”) was issued to the Noticee under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be initiated and why penalty should not be imposed under section 15HA of the SEBI Act for the alleged violations of Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) of PFUTP Regulations, 2003.
5. With regard to the abovementioned SCN, vide email dated December 07, 2022 and February 24, 2023 and letter dated February 22, 2023, Vikash Chowdhary, son of Noticee informed the undersigned about the death of Noticee and he provided notarised copy of the death certificate of Noticee issued by Greater Hyderabad Municipal Corporation along with the PAN Card of Noticee. Further, vide email dated March 20, 2023, Vikash Chowdhary provided a copy of his identification document.
6. I note that as per the death certificate of the Noticee having Registration Number 2463 issued by the Greater Hyderabad Municipal Corporation, the Noticee passed away on August 05, 2018. The said death has been verified through the URL <https://ghmc1.ghmc.gov.in/deaths/deathssearch.asp> and the same is on record.
7. Based on the material on record, it is observed that the Noticee expired before adjudication proceedings were initiated against her. Before proceeding further in the matter on merit, it would be in the fitness of things to first decide as to whether on the death of the Noticee, the present adjudication proceedings against her would continue or abate.

8. In this context, I note that in the matter of **Girijanandini Devi v. Bijendra Narain Choudhary** (AIR 1967 SC 1124), the Hon'ble Supreme Court held that in case of personal actions, 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 in **Chandravadan J. Dalal v. 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 the appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates."*
9. In view of the foregoing, I am of the view that the instant adjudication proceedings against the Noticee, Bimla Devi Agarwal are liable to be abated without going into the merits of the case qua her and the SCN dated August 26, 2022 issued against her is disposed of accordingly.
10. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to SEBI, to the last known address of deceased Noticee and to the son of Noticee, Vikash Chowdhary who had informed the undersigned about the demise of the Noticee.

Place: Mumbai

Date: March 31, 2023

**N HARIHARAN
ADJUDICATING OFFICER**