BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER Ref. No. ORDER/SBM/KL/2021-22/14424]

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:

Late Smt. Anokhi Devi Bansal
PAN: ADHPB7979H
Add- 1 - 33/34 Durgapur Colony, PO New Alipore,
Near Military Camp, Kolkata, 700053

Add- 2 - Block-8, Flat 7f Prasad Exotica,
71/3 canal circular road,
Kankurgachi, Kolkata 700054

FACTS OF THE CASE:

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') observed large scale reversal of trades in the Stock Options segment of Bombay Stock Exchange (hereinafter referred to as '**BSE**') leading to alleged creation of artificial volume in the stock options segment. In this regard, SEBI conducted an investigation into the trading activity in the illiquid Stock Options Segment at BSE for the period April 01, 2014 to September 30, 2015 (hereinafter referred to as "**Investigation Period**").

2. Pursuant to the investigation, it was observed that a total of 2,91,643 trades comprising 81.38% of all the trades executed in the Stock Options segment by various clients/entities at BSE during the investigation period were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract on the same day. It was also observed that the aforesaid trades resulted into alleged creation of artificial volume to the tune of 826.21 crore units or 54.68% of the total market volume in the Stock Options segment of BSE during the investigation period. In view

of the large scale reversal of trades that were observed in the illiquid Stock Options segment at BSE, it is alleged that these trades were non-genuine in nature and have resulted in the creation of artificial volumes in the stock options segment at BSE.

3. It was observed that Smt. Anokhi Devi Bansal (hereinafter referred to as "**Noticee**") was one such client who had indulged in the execution of non-genuine trades in the Stock Options segment at BSE during the above referred investigation period. It was observed that Noticee had entered into reversal trades with her counterparties which involved squaring off transactions with significant difference in sell value and buy value of the transactions. It is alleged that the Noticee had executed 3 contracts, during the investigation period, which resulted into 14 non-genuine trades, thereby creating artificial volume of 1,37,000 units at BSE. Therefore, it is alleged that Noticee had executed the reversal trades which were non-genuine in nature and has created false or misleading appearance of trading in terms of creation of artificial volume in the Stock Options segment at BSE. In view of the same, it is alleged that the Noticee has violated the provisions of Regulations 3 (a), (b), (c), (d) and Regulation 4(1), 4(2) (a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). Therefore, adjudication proceedings have been initiated against the Noticee under the provisions of section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act'**).

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as the Adjudicating Officer, vide communique dated July 27, 2021 under Section 19 read with Section 15-I of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of section 15HA of the SEBI Act, the aforementioned alleged violation of the provisions of law by the Noticee.

SHOW CAUSE NOTICE, HEARING AND REPLY

5. Show Cause Notice ref. SEBI/HO/EAD1/SBM/KL/28816/2021 dated October 14, 2021 (hereinafter referred to as '**SCN**') was issued to the Noticee in terms of Rule 4 of the

Adjudication Rules requiring the Noticee to show cause as to why an inquiry should not be held against her and why penalty, if any, should not be imposed on the Noticee under the provisions of section 15HA of the SEBI Act for the violations alleged to have been committed by the Noticee.

6. During the course of the proceedings, vide email dated October 29, 2021, Mr. Sanjay Bansal, son of the Noticee, informed about the demise of the Noticee and also enclosed a death certificate confirming the demise of the Noticee on July 31, 2021. Thereafter, vide email dated November 23, 2021, Mr. Sanjay Bansal also enclosed a Notarized copy of death certificate of the Noticee (ref no. HG013/2021/004988 dated August 01, 2021), which was issued by the Kolkata Municipal Corporation (Health Department). From the death certificate, I note that the Noticee had passed away on July 31, 2021.

CONSIDERATION OF ISSUES AND FINDINGS:

7. I have perused the death certificate dated August 01, 2021 submitted in the matter and observe that the Noticee had expired on July 31, 2021. Before proceeding further in the matter, 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 regard, I note that the Hon'ble Supreme Court in the matter 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. Further, the Hon'ble Securities Appellate Tribunal, in the matter of Chandravadan J Dalal Vs. SEBI has also held that "*The appeal abates since the appellant during the pendency of the appeal died on 29th November, 2004. The appeal accordingly abates*".

ORDER

9. In view of the above, I find that the instant proceeding in respect of the Noticee viz. Late Smt. Anokhi Devi Bansal initiated vide SCN dated October 14, 2021 cannot be proceeded with, as she had passed away on July 31, 2021. Therefore, the adjudication proceedings initiated against the Noticee shall stand abated.

10. In terms of Rule 6 of the Adjudication Rules, a copy of this order is sent to Mr. Sanjay Bansal (s/o Late. Smt. Anokhi Devi Bansal) and also to the Securities and Exchange Board of India.

Date: November 30, 2021 **SURESH B MENON**

Place: Mumbai **ADJUDICATING OFFICER**