

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO. Order/AS/DP/2024-25/31293]**

---

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

**In respect of:  
Late Ms. Bhanwari Devi Rampuria  
(PAN: ACUPR1687A)**

**In the matter of dealing in Illiquid Stocks Options at BSE**

---

**FACTS OF THE CASE IN BRIEF**

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), observed large scale reversal of trades in the Illiquid Stock Options (hereinafter referred to as “**ISO**”) segment of Bombay Stock Exchange (hereinafter referred to as “**BSE**”) leading to creation of artificial volume. Reversal trades are the trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy position with the same counter party. The said reversal trades are alleged to be non-genuine trades as they lack basic trading rationale and allegedly lead to false or misleading appearance of trading leading to generation of artificial volume. In view of the same, such reversal trades are alleged to be deceptive and manipulative in nature. On account 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 “**Investigation Period/IP**”).

2. Pursuant to investigation by SEBI, it was observed that during IP, a total of 2,91,643 trades comprising substantial 81.38% of all the trades executed in Stock Options of BSE were trades which involved reversal of buy and sell positions by the clients and counterparties in a contract. The investigation revealed that 14,720 entities were involved in executing non-genuine trades in BSE's Stock Options segment during the investigation period. It was observed that Ms. Bhanwari Devi Rampuria (PAN – ACUPR1687A) (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 alleged 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 alleged 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”**).

### **APPOINTMENT OF ADJUDICATING OFFICER**

3. SEBI appointed Mr. N Murlikrishnan as Adjudicating Officer (AO) in the matter vide communique dated July 06, 2021, under Section 19 read with Section 15-I of 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 and adjudge under section 15HA of SEBI Act. Pursuant to transfer of cases, the undersigned was appointed as Adjudicating Officer in the matter vide communique dated September 06, 2024.

### **SHOW CAUSE NOTICE, REPLY AND HEARING**

4. Based on the findings by SEBI, Show Cause Notice dated April 05, 2022 (hereinafter referred to as **“SCN”**) was issued to the Noticee under Rule 4(1) of Adjudication Rules to show cause as to why an inquiry should not be held and

penalty should not be imposed on it for the alleged violations of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations for indulging in reversal trades. .

5. It was alleged in the SCN that the Noticee had executed 2 non genuine reversal trades in 1 Stock Options Contracts creating artificial volume of 2,76,000 units. Summary of dealings of the Noticee in the said Options contracts, in which the Noticee allegedly executed non-genuine trades during the I.P, is as follows:

<b>Contract name</b>	<b>Avg. buy rate (₹)</b>	<b>Total buy volume (no. of units)</b>	<b>Avg. sell rate (₹)</b>	<b>Total sell volume (no. of units)</b>	<b>% of Artificial volume generated by the Noticee in the contract to Noticee's Total volume in the contract</b>	<b>% of Artificial volume generated by the Noticee in the contract to Total volume in the contract</b>
IOBL15JUL44.00PEW3	4	136000	6.6	136000	100	85

6. The abovementioned reversal trades and volumes through the dealings of the Noticee in one contract viz, "IOBL15JtJIA4.00PEW3" during the investigation period, are illustrated as follows:
- During the investigation period, two trades for 136000 units each were executed by the Noticee in the said contract on 03/07/2015.
  - While dealing in the said contract on 03/07/2015, at 13:00:59 hrs the Noticee entered into a buy trade with counterparty Sarswati Sales Pvt Ltd for 136000 units at Rs. 4 per unit At 13:05:40 hrs the Noticee entered into a sell trade with the same counterparty for 136000 units.
  - The Noticee's two trades while dealing in the above-said contract during the investigation period allegedly generated artificial volume of 272000 units, which made up 85% of total market volume in the said contract during this period.

7. However, the said SCN returned undelivered with the remark “deceased” by the postal department. However, copy of death certificate was not provided to confirm the death of the Noticee.
8. Vide Post SCN Intimation (PSI) dated August 12, 2022, Noticee was informed SEBI introduced a Settlement Scheme i.e. SEBI Settlement Scheme, 2022 (hereinafter referred to as “**Settlement Scheme 2022**”) in terms of Regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”). It was further informed that the Settlement Scheme, 2022 provided a one time opportunity to the entities against whom proceedings had been initiated and appeals against the said proceedings are pending before any forum or authority. The scheme commenced from August 22, 2022 and closed on November 21, 2022.
9. Pursuant to that, vide public notice dated November 21, 2022, it was advertised/informed that “*Considering the interest of entities in availing the Scheme, the competent authority has extended the period of the Scheme till January 21, 2023*”.
10. The aforesaid PSI was served at the last known address of the Noticee.
11. It was observed that Noticee did not avail the Settlement Scheme 2022, in view of which, the adjudication proceeding against the Noticee was resumed.
12. Subsequently, a second PSI dated March 11, 2024, was issued to the Noticee wherein it was informed to the Noticee that SEBI introduced another Settlement Scheme i.e. SEBI Settlement Scheme, 2024 (hereinafter referred to as “**Settlement Scheme 2024**”) in terms of Regulation 26 of Settlement Regulations. It was informed that the Settlement Scheme, 2024 provided opportunity to the entities against whom proceedings had been initiated and appeals against the said

proceedings are pending before any forum or authority. The scheme commenced from March 11, 2024 to May 10, 2024.

13. Further, vide Public Notice dated May 08, 2024, the Settlement Scheme 2024 was extended till June 10, 2024 by SEBI.

14. Since, the service of PSI is not established, in terms of Rule 7 of Adjudication Rules, the SCN and Hearing Notice were served to the Noticee by way of publication in newspapers where the Noticee was last known to have resided. Therefore, the notice regarding issuance of SCN and Hearing Notice was published in The Times of India (English), Aajkal (Bengali) and Sanmarg (Hindi) in the Kolkata editions on November 28, 2024. It was also published in the said newspaper publications that the SCN has been published / uploaded on [www.sebi.gov.in](http://www.sebi.gov.in) under the section "Enforcement: Unserved Summons/ Notices" and Noticee was advised to submit his reply to the SCN within 14 days from the date of the said publication. However, Noticee did not furnish any response / reply to the SCN. Vide the said newspaper publication, an opportunity of personal hearing was also granted to the Noticee on December 02, 2024 in person at 'SEBI Bhavan II, C-7, G Block, BKC, Bandra (E) Mumbai 400051' or if Noticee so desire, through online platform. However, the Noticee also failed to appear for the scheduled hearing on December 02, 2024.

15. Vide email dated November 28, 2024, the representative of the Noticee informed that the Noticee has passed away in 2021 and forwarded scanned copy of the death certificate issued by the Kolkata Municipal Corporation. The death certificate shows that the Noticee passed away on May 07, 2021. The said certificate has been duly verified from the website of the Kolkata Municipal Corporation.

16. 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.

17. In this context, it is pertinent to mention that in **Girijanandini Vs Bijendra Narain (AIR 1967 SC 2110)**, 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 SAT in **Chandravadan 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 the appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates.*"

18. In view of the foregoing, I am of the view that the instant adjudication proceedings against the Noticee abates without going into the merits of the case qua her and the SCN dated April 05, 2022 issued against her is disposed of accordingly.

19. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to SEBI and to the last known address of deceased Noticee.

**Place: Mumbai**  
**Date: March 21, 2025**

**ASHA SHETTY**  
**ADJUDICATING OFFICER**