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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Date of decision: May 07, 2025*

+ CRL.REV.P. 181/2025 & CrI.M.A. 14081/2025

SECURITIES AND EXCHANGE BOARD OF INDIAPetitioner

Through: Mr Sunil Dalal, Senior Advcoate with
Mr. Ashish Aggarwal, Ms. Shivangi
Shoukeen, Mr. Rahul Malim &
Ms. Lisha Arora, Advocates

Versus

VIJAY LAXMI

.....Respondent

Through:

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T (oral)

1. The present Criminal Revision Petition under Section 438 read with Section 528 of *The Bhartiya Nagrik Suraksha Sanhita, 2023* ('BNSS' *hereinafter*) and under Section 397 read with Section 482 of the *Code of Criminal Procedure, 1973* ('Cr.P.C.' *hereinafter*) has been filed by the Petitioner-Securities and Exchange Board of India ('SEBI' *hereinafter*) against the Order dated 27.01.2025 passed by the learned Sessions Court in in CC No. 739 Of 2023, whereby the sentence of only to the extent of '*Till Rising of the Court*' and payment of fine of Rs,5,00,000/- and in default the said fine is to be recovered out of her Estate, has been awarded.

2. The learned Additional Session Judge *vide* impugned Judgment 03.12.2024 has convicted the Respondent for the offences under Section 12



(1B) of SEBI Act, 1992 and Regulation 5(1), 68 (1), 68(2), 73 and 74 of the CIS Regulation, 1999, punishable under Section 24 read with Section 27 of the SEBI Act, 1992.

3. *The grievance of the Petitioner* is in regard to the leniency in sentence awarded to Respondent Vijay Laxmi and has sought enhancement of the sentence.

4. *The grounds for seeking enhancement* of the sentence are that the impugned Order on Sentence has been made in a slipshod manner, as no adequate sentence has been awarded to the Respondent. No reason has been given for the leniency in sentencing by only imposing a fine. Moreover, as per Section 24 SEBI Act, 1992 the punishment prescribed is imprisonment for a term which *may extend to one year or with fine or with both*.

5. The learned Trial Court has failed to appreciate that the Accused-Company had mobilised sum of Rs.2.66 crores from general public and in spite of lapse of sufficient time, he had failed to repay the investors without any rhyme or reason. The Respondent was the Director of the Accused-Company and was responsible for conduct of its affairs and the audited Balance Sheets for the financial years 1994-95, 1995-96 and 1996-97 were signed by her.

6. It has also not been appreciated that the Respondent-Vijay Laxmi in her statement under Section 313 Cr.P.C. made a statement that she was not medically fit, though no medical documents were submitted. On 01.08.2019 the learned Session Judge interacted with the Respondent-Vijay Laxmi and observed that she was responding properly to the queries put by the Court. It was also observed that Respondent Vijay Laxmi on the said date, tried to



overrule the Court by shouting but on the same day she apologised for her conduct, which is noted by the learned Trial Court in Paragraph No. 54 & 55 of the Judgment dated 03.12.2024.

7. It is submitted that the learned Trial Court has erred in relying upon the alleged medical record of the Respondent which were produced before the learned Trial Court at the time of Arguments on Sentence which indicated that she was suffering from '*Organic Bipolar Disorder*'.

8. The Respondent was being represented by her Counsel and in case she was suffering from mental disorder, she should have moved an appropriate Application under Section 328 Cr.P.C. for appointment of Medical Board.

9. It has also not been considered that no evidence about her mental stability or suffering from mental disorder has been led by the Respondent. The learned Trial Court has erred in holding that the mental condition of the Respondent was not proper even despite the fact that she was found of sound mind on earlier occasions when she appeared before the learned Predecessor.

10. It is asserted that the sentence awarded to the Respondent is inadequate and considering the allegations and that the offence relates to economic offence, maximum sentence should have been awarded. Hence, a prayer is made for enhancement of the sentence imposed upon the Respondent, Vijay Laxmi.

11. ***Submissions Heard and Record perused.***

12. Learned Additional Session Judge in the Order on Sentence dated 27.01.2025 noted that the Respondent is a 60 years old senior citizen and



suffering from unspecified non-organic psychosis, which means she is suffering from delusions and hallucination which is a part of *bipolar disease or of schizophrenia*. She has faced agony of trial for more than two decades. The learned Additional Session Judge noted the nature of allegations against the accused-Company as well as the Respondent. It was further noted that the learned Predecessor in Order dated 01.08.2019 had observed that she was 'normal' and had responded well to the questions and no steps were taken by the then Advocate representing her in this regard. No medical record was filed inasmuch as even at the stage of final arguments; this aspect was neither orally or otherwise substantiated with any document. At the stage of Order on Sentence, medical documents of the year 2020-2021, 2022-2023 and 2023-2024 had been filed in support of her medical condition. The medical condition was also held to be apparent from her appearance as she was not responding well to the questions put to her.

13. Considering her medical condition, it was not considered necessary to get her examined by the Medical Board since it was not a case of Mental unsoundness of mind. However, considering the long trial and her medical condition, she was sentenced to imprisonment of "*till rising of the Court*" and to pay fine of Rs.5,00,000/- with further directions that if the fine amount is not paid, the same shall be recovered from her Estate.

14. The aforesaid observation made by the learned Additional Session Judge in the Order on Sentence clearly reflects application of mind and consideration of all the attending circumstances.

15. Essentially, the Respondent may have been held guilty of the offences under Section 12 (1B) of SEBI Act, 1992 and Regulation 5(1), 68 (1),



68(2), 73 and 74 of the CIS Regulation, 1999, but the sentence is always tailored to the specific role of the convict as well as attending circumstances. It has been clearly noted that the trial took place for a period of twenty years, the travails of which were faced by the Respondent. Her medical condition over a period of time had deteriorated and she suffers from Schizophrenia and delusions hallucination which is a part of '*Organic Bipolar Disorder*'. Suffering from a mental condition does not imply that she is mentally unsound or that the trial/ sentence was required to be suspended till she recovers fully.

16. Considering Respondent's age and her medical condition, as was reflected in the medical record, she has been awarded sentence of "*till rising of the Court*" and to pay fine of Rs.5,00,000/-, which cannot be stated to inappropriate or inadequate in the given circumstances. There is no ground to justify that the sentence awarded is inadequate. There is no merit in the present Petition.

17. The present Petition and pending Application(s) are accordingly dismissed.

**(NEENA BANSAL KRISHNA)
JUDGE**

MAY 07, 2025

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