

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO. EAD/BD /NR/2019-20/7088

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 Shri GDLSN Raju
(PAN: ACWPG4714F)

In the matter of NCL Industries Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted investigation in the scrip of NCL Industries Ltd., (*hereinafter referred to as "NCL" / "Company"*) *inter-alia* to ascertain any possible violation of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (*hereinafter referred to as SEBI (PIT) Regulations*) by the Promoters of the Company during the period December 15, 2011 and October 9, 2014 (*hereinafter referred to as "Investigation Period"*).
2. The investigation *inter-alia* concluded that Shri GDLSN Raju (hereinafter referred to as the "**Noticee**"), who was one of the promoters of NCL Industries Ltd., consequent upon change in his shareholding in the scrip of NCL Industries Ltd., had failed to make the requisite disclosures as required under Regulation 13(4A) of SEBI (PIT) Regulations,

APPOINTMENT OF ADJUDICATION OFFICER

3. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticee and appointed the undersigned as Adjudicating Officer vide

Order dated July May 18, 2019 under Section 19 of SEBI Act read with Sub-section 1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) to inquire into and adjudge under 15A(b) of SEBI Act for the alleged violation of the provisions of SEBI (PIT) Regulations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A Show Cause Notice (SCN) bearing ref. no., EAD/BJD/NJMR/2878/2/2020 dated January 22, 2020 was issued to the Noticee under Rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed him under Section 15A(b) of the SEBI Act, for the violation alleged to have been committed by him.
5. I note that vide email dated February 15, 2020, Shri G Tarun Sandeep, Son of the Noticee submitted that his father passed away on September 22, 2019 and that he was not aware of the transactions made by his father. Vide email dated February 17, 2020, a copy of the death certificate of the Noticee was furnished by Shri G Tarun Sandeep.

CONSIDERATION OF ISSUES

6. I have perused the death certificates and find that the Noticee GDLSN Raju expired on September 22, 2012.
7. In view of the above, I am of the view that before proceeding 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, the Hon'ble Supreme Court has observed in the Girijanandini Vs. Bijendra Narain (AIR 1967 SC 2110) 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.

9. The Hon'ble Securities Appellate Tribunal has also held in Chandravadan J Dalal Vs. SEBI 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.*”

ORDER

10. In view of the foregoing, I am of the view that the proceedings against the Noticee shall abate. Therefore, the matter is disposed of accordingly without going into the merits of the case.

11. In terms of Rule 6 of the SEBI Adjudication Rules, copy of this Order is sent to Shri Tarun Sandeep, S/o Late Shri GDLSN Raju (Noticee) and to SEBI.

Date: 28 February 2020

Place: Mumbai

B J DILIP

Adjudicating Officer