

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
ADJUDICATION ORDER NO: EAD/PM/NR2020-21/9090**

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

In respect of:

Late Champalal S Khimavat
(PAN- AAKPK3404C)

In the matter of Kanchan International Ltd.,

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the scrip of Kanchan International Ltd., (Company) during the period October 4, 2011 and April 3, 2012 (investigation period) to ascertain whether was there any violation of the provisions of SEBI Act and the Regulations made thereunder. The investigation revealed that Champalal S Khimavat (*hereinafter referred to as "Noticee"*), one of the promoters of the Company while acting as Persons in Concert (PAC) with other promoters of the Company had failed to make the requisite disclosures pursuant to change in shareholding aggregated 2% or more of the share capital of the Company during the period July 1, 2011 and May 9, 2012, under Regulation 7 (1A) read with Regulation 7 (2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 29 (2) read with Regulation 29 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Further, the investigation found that the Noticee pursuant to change in his shareholding by 5% had failed to make the requisite disclosures under the provisions of Regulation 29 (1) read with Regulation 29 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and had made delayed disclosures to Stock Exchange in

respect of change in his shareholding exceeding 25,000 shares, under the provisions of Regulation 13 (4A) read with Regulation 13 (5) of SEBI (Prohibition of Insider Trading) Regulations, 1992.

APPOINTMENT OF ADJUDICATING OFFICER

2. Accordingly, SEBI initiated Adjudication proceedings against the Noticee and appointed the undersigned as the Adjudicating Officer vide order dated July 2, 2018 under Section 19 of the SEBI Act, 1992 read with Section 15I of the SEBI Act and Rule 3 of (SEBI Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (*hereinafter referred to "Adjudication Rules"*) to inquire into and adjudge the alleged violations of the provisions of SEBI (SAST) Regulations, 1997 & 2011 and SEBI (PIT) Regulations, 1992 committed by the Noticee, under Section 15A(b) of SEBI Act..

SHOW CAUSE NOTICE AND REPLY

3. A Show Cause Notice dated December 31, 2019 (hereinafter referred to as 'SCN') was served upon the Noticee under the provisions of Rule 4 (1) of the SEBI Adjudication Rules, to show cause as to why an inquiry should not be held and penalty should not be imposed on him under the provisions of Section 15 A(b) of SEBI Act for the alleged violation of the provisions of SEBI (SAST) Regulations, 1997 & 2011 and SEBI (PIT) Regulations. I note that the SCN sent by Speed Post was delivered at the address of the Noticee, however, no reply was received in response to the SCN.
4. I am given to understand from the Order passed by the Hon'ble WTM in the matter of Kanchan International Ltd., on May 5, 2020 that the Noticee expired on April 28, 2015.
5. Here, I would like to quote that in the matter of Padmalaya Telefilms Ltd. (November 2, 2006), the Hon'ble WTM, SEBI inter-alia held that "*...Since the proceedings were initiated against the personal acts of omission of a person*

who is no more alive to face the penalty, the proceedings against him are liable to be abated”.

6. Further, in *Girijandini vs. Bijendra Narain* (AIR 1967 SC 2110), the Hon'ble Supreme Court, inter-alia observed 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.
7. In view of the above, the adjudication proceedings initiated against the Noticee (Champalal S Khimavat) is liable to be abated without going into the merits of the case.

ORDER

8. After taking into consideration all the facts on record and circumstances of the case, I find that the matter in respect of the Noticee, i.e., Champalal S Khimavat initiated vide SCN Ref: No. EAD/ADJ/PM/AB/OW/35212/3/2019 dated December 31, 2019 cannot be proceeded with as the Noticee has passed away on April 28, 2015 and, thus, the matter becomes infructuous and adjudication proceeding cannot be proceeded with.
9. In terms of the provisions of Rule 6 of the SEBI Adjudication Rules, a copy of this order is being sent to the last known address of the Noticee and also to SEBI.

Date: September 18, 2020

Place: Mumbai

Prasanta Mahapatra

Adjudicating Officer