

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. EAD-9/SM/233/2018-19]**

**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 BY ADJUDICATING OFFICER) RULES, 1995.**

In respect of:

**Mr.Paresh Nalin Sanghavi
(PAN No. AGVPS7666K)**

In the matter of M/s. Sabero Organics Gujarat Ltd

Facts of the Case:

1. Securities and Exchange Board of India ("SEBI") pursuant to investigation into the insider trading of certain entities in the scrip of M/s Sabero Organics Gujarat Ltd (hereinafter referred to as "SOGL/company") for the period between May 15, 2011 and June 15, 2011 (hereinafter referred to as "Investigation period/IP") had observed that Mr. Paresh Nalin Sanghavi (hereinafter referred to as "Noticee/Paresh") traded during the Unpublished Price Sensitive Information (hereinafter referred to as "UPSI") period in the scrip of SOGL and was allegedly made profit while trading in the scrip of SOGL thus violating Section 12A(d) and (e) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") read with Regulations 3(i) and 4 of SEBI (Prohibition of Insider Trading) Regulations, 1992(hereinafter referred to as "PIT Regulations").
2. In this order wherever PIT Regulations is mentioned it should be referred to as PIT Regulations read with Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Appointment of Adjudicating Officer

3. The undersigned was appointed as Adjudicating Officer vide communique order dated October 23, 2017 under Section 19 of the SEBI Act, 1992 read Section 15-I of SEBI Act, 1992 read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by

Adjudicating Officer) Rules, 1995 (hereinafter referred to as AO Rules) to inquire and adjudge under Section 15G of SEBI Act, 1992 on Noticee for the alleged provision of the law.

Show Cause Notice and Reply:

4. Show Cause Notice dated November 06, 2018 (hereinafter referred to as 'SCN') was issued to Noticee under Rule 4 of the AO Rules to show cause as to why an inquiry should not be initiated against Noticee and penalty not be imposed upon it under Section 15G of SEBI Act for the alleged provisions of law. The SCN issued to the said address "B/703, Sai Leela Apt, above Vijaya Bank, Dahisar (East), Mumbai – 400 068 was returned undelivered stating "left". The new address, e-mail id and telephone number of the Noticee was procured and SCN was sent again. The Physical SCN sent on the address "B/1401, Garden Groove, Phase Shimpoli Gorai Road, Chikuwadi, Borivali (West), Mumbai – 400092 was returned undelivered. The SCN sent at e-mail address sanghvitimir@yahoo.co.in, with digital signature was delivered. Shri Timir P Sanghavi (Reportedly Son of the Noticee) vide his letter dated December 22, 2018 informed that his father the Noticee had passed away on August 07, 2018. Shri Timir P Sanghavi in his aforesaid letter has also attached a copy of the death certificate issued by competent authority on August 18, 2018 in this regard.

Issues for Consideration and Findings:

5. I have perused the death certificate submitted in the matter and find that Noticee has passed away on August 07, 2018. 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 him would continue or abate.
6. In this respect, I note that 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. 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"*.

Order

8. I am of the view that the proceedings initiated against the Noticee shall abate. Therefore, the SCN dated November 06, 2018 with respect to Noticee is disposed of accordingly without going into the merits of the case.
9. In terms of Rule 6 of the AO Rules, a copy of this order is being sent to Mr. Timir P Sanghavi, Son of Late Mr. Paresh Nalinbhai Sanghavi and also to the Securities and Exchange Board of India.

Date: January 23, 2019

Place: Mumbai

**SAHIL MALIK
ADJUDICATING OFFICER**