

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER NO. Order/BD/BM/2019-20/ 7401-7402]**

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

In respect of:

1. Sajjad Abdul Qadir Pavne (Since Deceased)
2. Wahadatali Gulamrasool Khan (Since Deceased)

**In the matter of M/s Finalysis Credit & Guarantee Company Limited**

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**BACKGROUND**

1. The Securities and Exchange Board of India (*hereinafter referred to as "SEBI"*), initiated adjudication proceedings against Sajjad Abdul Qadir Pavne and Wahadatali Gulamrasool Khan (*hereinafter referred to as "Noticees"*) for the alleged violations of the provisions of section 12 A(a), (b) and (c) of SEBI Act read with regulation 3(a), 3(b), 3(c) and 3(d) and Regulation 4(1) and 4(2)(h) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (*hereinafter referred to as 'PFUTP Regulations'*), section 11 C (2), (3) & (5) of the SEBI Act, 1992, Section 12 A(f) of SEBI Act read

with Regulation 3(1), 29(1), 29(2) and 29(3)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations**'), Regulations 13(1), 13(3), 13(4) and 13(5)(b) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**') in the matter of Finalysis Credit & Guarantee Company Ltd. (**Finalysis**) (hereinafter referred to as "**Company/Finalysis**").

2. During the investigation for the period from August 29, 2012 to May 08, 2013 (Investigation Period), it was revealed that the Noticees along with others had aided and abetted other suspected entities / Noticee(s) while dealing in the shares of Finalysis in a fraudulent manner and had allegedly violated the provisions of Section 11 C (2), (3) & (5), Section 12 A(f), section 12 A(a), (b) and (c) of SEBI Act, 1992 read with regulation 3(a),3(b), 3(c) & 3(d) and regulation 4(1) & 4(2)(h) of PFUTP Regulations.
3. Further, for non-disclosure on acquisition/disposed of shares, the Noticees had allegedly violated Regulations 13(4) and 13(5)(b) of PIT Regulations and Regulations 29(1), 29(2) and 29(3)(a) of SAST Regulations.
4. Therefore, it was alleged that the Noticees have violated the provisions of Section 11 C (2), (3) & (5), section 12 A(f), Section 12 A(a), (b) and (c) of SEBI Act, 1992 read with regulation 3(a),3(b), 3(c) & 3(d) and regulation 4(1) & 4(2)(h) of PFUTP Regulations, Regulation 3(1), 29(1), 29(2) and 29(3)(a) of SAST Regulations and Regulations 13(1), 13(3), 13(4) and 13(5)(b) of PIT Regulations.

#### **APPOINTMENT OF ADJUDICATING OFFICER**

5. Initially, vide order dated January 07, 2016 Ms. Rachna Anand was appointed as the Adjudicating Officer (AO) in the matter. Subsequently, the undersigned has been appointed as the Adjudicating Officer vide Order dated December 24, 2019, issued by SEBI to inquire into and adjudge under Section 15A(a), 15A(b), 15(H(ii) and 15HA of the SEBI Act, 1992, the aforesaid violations alleged to have been committed by the Noticees.

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

6. A Show Cause Notice dated November 30, 2016 (*hereinafter referred to as "SCN"*) was issued to the Noticees in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (*hereinafter referred to as "Adjudication Rules"*) read with Section 15-I of the SEBI Act, 1992, to show cause as to why an inquiry should not be initiated and penalty should not be imposed under Section 15A(a), 15A(b), 15(H(ii) and 15HA of the SEBI Act, 1992, on the Noticees for the alleged violation of the provisions of Section 11 C (2), (3) & (5), section 12 A(f), Section 12 A(a), (b) and (c) of SEBI Act, 1992 read with regulation 3(a), 3(b), 3(c) & 3(d) and regulation 4(1) & 4(2)(h) of PFUTP Regulations, Regulation 3(1), 29(1), 29(2) and 29(3)(a) of SAST Regulations and Regulations 13(1), 13(3), 13(4) and 13(5)(b) of PIT Regulations.
7. Vide letter dated January 17, 2018 it is informed that the Noticee, Sajjad Abdul Qadir Pavne has passed away on July 31, 2017 and Noticee Wahadatali Gulamrasool Khan passed on November 09, 2013. In this regard the copy of death certificate of the Noticees, duly notarized, received from their legal heirs have been filed along with the said letter dated January 17, 2018.

8. In this regard, the reliance can be made in the Order of the Hon'ble Supreme Court of India in the matter of *Girijanandini vs. Bijendra Narain* (AIR 1967 SC 2110) which was subsequently followed by SEBI in the matter of Late Mr. N Mahalingam and Late Ms. Aruna Kumar.
9. I note that as per the death certificates issued by the appropriate authority, the Noticee Sajjad Abdul Qadir Pavne has expired on July 31, 2017 and Noticee Wahadatali Gulamrasool Khan has expired on November 09, 2013. Accordingly, the present adjudication proceedings against Late Sajjad Abdul Qadir Pavne and Wahadatali Gulamrasool Khan stands abated in view of the observations of Hon'ble Supreme Court, in the matter of *Girijanandini vs. Bijendra Narain* (AIR 1967 SC 2110), wherein the Hon'ble Supreme Court observed 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.
10. Relying on the aforementioned Order of Hon'ble Supreme Court, I am of the view that the adjudication proceedings initiated against the Noticees will not survive and are liable to be abated without going into the merits of the case. Consequently, no penalty is imposed on the Noticees, who are since deceased, and the Adjudication Proceedings against the Noticees stand abated.
11. Accordingly, the present Adjudication proceedings initiated against the Noticees viz. Late Sajjad Abdul Qadir Pavne and Wahadatali Gulamrasool Khan, vide the

SCN no. EAO/RA/JP/32480/2016 dated November 30, 2016 are disposed of without going into the merits of the case.

12. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is sent to their legal heirs and also to the Securities and Exchange Board of India.

**Date: March 30, 2020**

**Place: Mumbai**

**B J Dilip**

**Adjudicating Officer**