

BEFORE THE ADJUDICATING OFFICER
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO. SO/PM/NR/2020-21/6244

SETTLEMENT ORDER

In respect of application no., 4123/2020

Submitted by Yogesh Pratapsinh Jadhav in the matter of Kanchan International Ltd.,

1. SEBI conducted an investigation in the scrip of Kanchan International Ltd., (KIL) to ascertain whether there was any violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market), 2003 {*hereinafter referred to as SEBI (PFUTP) Regulations*} by certain entities, during the period October 4, 2011 and April 3, 2012 (*investigation period*).
2. During the course of investigation, it was observed by SEBI that Yogesh Pratapsinh Jadhav (*hereinafter referred to as "Applicant"*) was a part of group of entities connected amongst each other by way off-market transactions in the scrip of KIL. The investigation found that the Applicant received 19,000 shares in off-market from one of the connected entities and sold 19,000 shares on-market in a single reversal trade to the same entity. The reversal of trades executed by the Applicant and other connected entities created an artificial volume of 1,53,021 shares in the scrip of KIL, which created a false and misleading appearance of trading in the market. Thus, it was alleged that the trading pattern of the Noticee was in violation of the provisions of Section 12 A(a), (b), (c) of SEBI Act and Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.
3. Accordingly, SEBI initiated Adjudication proceedings against the Applicant 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 Act and SEBI (PFUTP) Regulations, committed by the Applicant, under Section 15HA of SEBI Act..

4. In terms of Rule 4 of SEBI Adjudication Rules, a Show Cause Notice reference no. EAD/ADJ/PM/AB/OW/25205/2/2019 dated December 31, 2019 (*hereinafter referred to as ‘SCN’*) was served upon the Applicant, seeking his reply as to why an Inquiry should not be held against him for the alleged violation of the provisions of SEBI Act and SEBI (PFUTP) Regulations.
5. While the Adjudication proceedings were in progress, the Applicant submitted an application on March 13, 2020 for settlement of the Adjudication proceedings, in terms of SEBI (Settlement Proceedings) Regulations, 2018 (*hereinafter referred to as “**Settlement Regulations**”*).
5. It is noted from the application filed by the Applicant that vide an undertaking dated March 2, 2020, the applicant had inter-alia submitted that *“neither admit nor deny the findings of fact and conclusions law which may be part of the settlement order and agree to abide by the settlement order as may be passed in accordance with SEBI Settlement Regulations and guidelines and circulars issued by the Board in that regard.*
6. The Applicant vide Email dated July 13, 2020 had proposed the revised settlement terms of ₹19,12,500/- (Rupees Nineteen Lakhs Twelve Thousand and Five Hundred only), which was considered by an Internal Committee of SEBI in its meeting held on July 13, 2020.
7. The settlement terms as proposed by the Applicant were placed before the High Powered Advisory Committee (**HPAC**) in its meeting held on July 30, 2020. After considering the facts / circumstances of the case, material brought before it, the HPAC recommended that the aforesaid violations, in the facts of

the case, may be settled on payment of ₹19,12,500/- (Rupees Nineteen Lakhs Twelve Thousand and Five Hundred only), towards settlement terms as proposed by the Applicant.

8. The recommendation of HPAC were approved by a Panel of the Whole Time Members of SEBI on August 12, 2020, which was communicated to the Applicant through email on August 17, 2020. The Applicant on September 10, 2020 remitted an amount of ₹19,12,500/- (Rupees Nineteen Lakhs Twelve Thousand and Five Hundred only) through RTGS, towards the settlement of action in the instant matter.
9. Therefore, in view of acceptance of the settlement terms as proposed by the Applicant and upon receipt of settlement amount by SEBI, the pending Adjudication Proceedings initiated against the Applicant under the aforesaid SCN dated December 31, 2019, are hereby disposed of in terms of Section 15JB of SEBI Act, 1992 read with Regulation 23(1) of the Settlement Regulations.
9. Further, in terms of Regulation 28 of the Settlement Regulations, this Order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings to which this settlement order is passed, if:
 - i. *any representations made by the Applicant in the present settlement proceedings are subsequently discovered to be untrue.*
 - ii. *the Applicant has breached any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings.*
10. This settlement order passed on September 18, 2020 shall come into force with immediate effect.

11. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is being sent to the Applicant and for publication on the website of SEBI.

Date: 25 September 2020
Place: Mumbai

Prasanta Mahapatra
Adjudicating Officer