BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: Order/AP/VS/2020-2021/8671]

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. R. Ramanujam
No. 36, 7th Cross Street,
Rainbow Nagar,
Puducherry – 605011

In the matter of
Ravi Kumar Distilleries Limited

1. Ravi Kumar Distilleries Limited (hereinafter referred to as 'RKDL / the Company') is a company listed on the Bombay Stock Exchange Limited (hereinafter referred to as 'BSE') and National Stock Exchange Limited (hereinafter referred to as 'NSE'). During the investigation conducted by SEBI, it was observed that:
   a. RV Ravikumar (one of the promoter of RKDL) acquired BPJ Holding Pvt. Ltd. (BPJ) and Chiraag Suppliers Pvt. Ltd. (Chiraag) on September 10, 2012 and Nandlal Vyapaar Pvt. Ltd. (Nandlal) on September 12, 2012, and their respective shareholding in RKDL before the Memorandum of Understanding (MoU) dated September 10, 2012 in the case of BPJ and Chiraag and September 12, 2012 in case of Nandlal were as per following table:

Sr. No.	Name of the Company	No. of Shares of RKDL held	% of shareholding of RKDL
1	BPJ Holding Pvt. Ltd	20,26,000	8.44
2	Chiraag Suppliers Pvt. Ltd	13,08,906	5.45
3	Nandlal Vyapaar Pvt. Ltd.	12,54,000	5.23

   b. As per regulation 2(q)(2)(iv) of the SAST Regulations, promoters and members of promoter group are deemed to be persons acting in concert. The shareholding of promoter group prior to the MoU of BPJ, Chiraag and Nandlal were as following:

Sr. No.	Name of the Promoter	No. of Shares of RKDL held by the entity	% of shareholding of RKDL
1	R V Ravikumar	53,81,696	22.42
2	R Amrithavalli	1,45,497	0.61
3	Siva Sankar V	2,872	0.01
4	S Rajendran	0	0
5	R Ramanujam	0	0
6	Ravikumar Properties Pvt. Ltd.	0	0
7	V Chitra	0	0
8	G Ramaraja	0	0
Total shareholding by promoters		**55,30,065**	**23.04**

c. As mentioned hereinabove RV Ravikumar acquired BPJ and Chiraag on September 10, 2012 and Nandlal September 12, 2012, the shareholding of RV Ravikunar and PACs in RKDL were as per following table:

Sr. No.	No. of shares of RKDL held by Ravikumar and other existing promoters PRE ACQUISITION (A)	% of total shareholding	Name of the Company acquired	No. of Shares of RKDL held by company acquired in column A (B)	% of shareholding of RKDL	Date of Acquisition by Ravi Kumar	No. of shares of RKDL held by Ravikumar and other existing promoters POST ACQUISITION (A +B)	% of total shareholding
	Pre- Acquisition		Acquisition				Post-Acquisition	
1	55,30,065	23.04	BPJ and Chiraag	33,34,906	13.89	Sept 10, 2012	88,64,971	36.94
2	88,64,971	36.94	Nandlal	12,54,000	5.23	Sept 12, 2012	1,01,18,971	42.17

d. Based on demat statements obtained from CDSL and NSDL and quarterly shareholding pattern uploaded on BSE website, it was observed that the shareholding of BPJ, Chiraag and Nandlal in RKDL continued to change until December, 2012 but not more than 5% upto March, 2013. Therefore, an analysis of subsequent acquisition i.e. after September 12, 2012 until December, 2012 was carried out. All the acquisitions made by BPJ, Chiraag and Nandlal in RKDL were made off-market. Following table highlights the date wise acquisition in RKDL:

Sr. No.	Number of shares held (A)	% of shareholding	Name of acquirer	Date	Number of shares acquired (B)	% of shareholding	Number of shares held (A+B)	% of shareholding	Cumulative change in percentage shareholding (reset after breaching 5%)
	Pre-Acquisition		Acquisition				Post- Acquisition		
1	10118971	42.17	BPJ	Sept 17,2012	220000	0.92	10338971	43.09	0.92
2	10338971	43.08	BPJ	Sept 18,2012	175000	0.73	10513971	43.82	1.65
3	10513971	43.81	BPJ	Sept 20,2012	150000	0.63	10663971	44.45	2.28
4	10663971	44.43	BPJ	Sept 21,2012	50000	0.21	10713971	44.66	2.49
5	10713971	44.64	Nandlal and Chiraag	Sept 24,2012	130000	0.54	10843971	45.20	3.03
6	10843971	45.18	BPJ	Sept 25,2012	115000	0.48	10958971	45.68	3.51
7	10958971	45.66	BPJ	Sept 26,2012	40000	0.17	10998971	45.85	3.68
8	10998971	45.83	BPJ, Chiraag, and Nandlal	September 27,2012	150000	0.63	11148971	46.48	4.31
9	11148971	46.45	BPJ and Nandlal	Sept 28,2012	65000	0.27	11213971	46.75	4.58
10	11213971	46.72	BPJ	Oct 1, 2012	80000	0.33	11293971	47.08	4.91
11	**11293971**	**47.08**	**BPJ**	**Oct 3,2012**	**40000**	**0.17**	**11333971**	**47.25**	**5.08**
12	11333971	47.25	BPJ, Chiraag, and Nandlal	Oct 4, 2012	136000	0.57	11469971	47.82	0.57
13	11469971	47.82	BPJ	Oct 9,2012	115000	0.48	11584971	48.30	1.05
14	11584971	48.30	BPJ	Oct 11, 2012	140000	0.58	11724971	48.88	1.63
15	11724971	48.88	BPJ	Oct 12, 2012	30000	0.13	11754971	49.01	1.76
16	11754971	49.01	BPJ	Oct 16,2012	65000	0.27	11819971	49.28	2.03

Sr. No.	Number of shares held (A)	% of shareh olding	Name of acquirer	Date	Number of shares acquired (B)	% of sharehol ding	Number of shares held (A+B)	% of shareh olding	Cumulative change in percentage shareholding (reset after breaching 5%)
	Pre-Acquisition		Acquisition				Post- Acquisition		
17	11819971	49.28	BPJ	Oct 17,2012	64900	0.27	11884871	49.55	2.30
18	11884871	49.55	BPJ	Oct 19,2012	90000	0.38	11974871	49.93	2.68
19	11974871	49.93	BPJ	Oct 23,2012	85100	0.35	12059971	50.28	3.03
20	12059971	50.28	BPJ	Oct 25,2012	45000	0.19	12104971	50.47	3.22
21	12104971	50.47	BPJ	Nov 6,2012	25000	0.10	12129971	50.57	3.32
22	12129971	50.57	BPJ	Nov 7,2012	20000	0.08	12149971	50.65	3.40
23	12149971	50.65	Chiraag	Nov 12,2012	20000	0.08	12169971	50.73	3.48
24	12169971	50.73	Chiraag	Nov 16,2012	45000	0.19	12214971	50.92	3.67
25	12214971	50.92	Chiraag	Nov 21,2012	61000	0.26	12275971	51.18	3.93
26	12275971	51.18	Chiraag	Nov 26,2012	40000	0.17	12315971	51.35	4.10
27	12315971	51.35	Chiraag and Nandlal	Nov 27,2012	4000	0.02	12319971	51.37	4.12
28	**12319971**	**51.37**	**BPJ and Chiraag**	**Dec 7,2012**	**220000**	**0.92**	**12539971**	**52.29**	**5.04**

2. In view of the above SEBI noted that following requisite disclosures were required to be made by Acquirer and PACs:
   a. R V Ravikumar along with PACs including Mr. R. Ramanujam acquired shares of RKDL indirectly by acquiring firms BPJ and Chiraag on September 10, 2012, which held shares of RKDL, thereby breaching the 25% shareholding threshold for open offer. RV Ravikumar along with said PACs including Mr. R. Ramanujam failed to make a public announcement of open offer and hence violated regulation 3(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the 'SAST Regulations').

   b. R V Ravikumar along with PACs including Mr. R. Ramanujam acquired shares of RKDL indirectly by acquiring firm, Nandlal on September 12, 2012 which held 5.23% of shares of RKDL, thereby breaching the 5% shareholding creeping limit for open offer. R V Ravikumar along with said PACs including Mr. R. Ramanujam failed to make a public announcement of open offer and hence violated regulation 3(2) of the SAST Regulations.

   c. RV Ravikumar along with PACs including Mr. R. Ramanujam acquired shares of RKDL thereby breaching the 5% shareholding creeping limit for open offer on October 3, 2012 and December 7, 2012. R V Ravikumar along with said PACs including Mr. R. Ramanujam failed to make a public announcement of open offer and hence violated Regulation 3(2) of the SAST Regulations.

3. Pursuant to submission of the investigation report, the competent authority in SEBI *prima facie* felt satisfied that there are sufficient grounds to inquire and adjudicate upon the aforesaid violations by the Noticee. By a *communication-order* dated February 04, 2019 Shri Santosh Shukla was appointed as Adjudicating Officer to inquire into and adjudge under rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as 'the Adjudication Rules') and under Section 15H(ii) of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act") for the aforesaid alleged violations of regulation 3(1) and 3(2) of the SAST Regulations, by Mr. R. Ramanujam.

4. Accordingly, a notice to show cause no. EAD-2/SS/VS/5551/5/2019 dated February 28, 2019 (hereinafter referred to as 'the SCN') was issued to the Mr. R. Ramanujam (hereinafter referred to as 'the Noticee'), calling upon him to show cause as to why an inquiry should not be held against him in terms of rule 4 the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the "Adjudication Rules") and penalty be not imposed under Section 15H(ii) of the SEBI Act for the aforesaid alleged violations. The SCN was duly served upon the Noticee by way of Affixture at his last known address.

5. Subsequent to the transfer of Shri Santsoh Shukla vide *communication order* dated January 07, 2020 the case has been transferred to undersigned. It has been advised that except for the change of the Adjudicating Officer, the other terms and condition of the original orders (whereby the aforesaid Adjudicating Officers was appointed) '*shall remain unchanged and shall be in full force and effect*'. It has also been advised that '*I should proceed in accordance with the terms of reference made in the original orders*.'

6. After receipt of records of the proceedings, I note that no reply was received from the Noticee. However, I note that the Authorised Representative (AR) of other promoters and PACs in the instant matter in the case of RKDL, who is also AR in the other matter in the case of RKDL before me, informed about the demise of the Noticee in such other matter.

7. The AR was advised to submit a copy of death certificate to support the claim regarding the demise of the Noticee in that other matter. Vide e-mail dated August 11, 2020, the AR provided a copy of the death certificate to substantiate the claim about the demise of the Noticee. From the copy of death certificate, it is noted that the Noticee had expired on October 01, 2012. I am of the view that the said fact equally applies to these proceedings as well. In view of this, no reply /submissions can be procured for considering this case under Rule 4(2) of the Adjudication Rules for further inquiry *qua* this Noticee. I am, therefore, of the opinion that matter does not deserve further inquiry under Rule 4(3) of the Adjudication Rules *qua* this Noticee and I, therefore, proceed to dispose of this matter accordingly.

8. In this case, the allegations have been levelled against the Noticee in his personal capacity as promotor of the target company at the relevant times. Thus, the proceedings are against the acts of omission and commission of a person who is no more to face the charges. In this regard, it is worth mentioning that in *Girijanandini Vs Bijendra Narain* (AIR 1967 SC 2110), 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. It is also relevant to refer to the decision of Hon'ble Securities Appellate Tribunal in *Chandravadan J. Dalal vs. SEBI* (Appeal No. 35/2004 decided on June 15, 2005) wherein it was held as under:

"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."

9. In view of the foregoing, I am of the view that the proceedings against Mr. R. Ramanujam (*since deceased*) are liable to be abated without going into the merits of the case *qua* him and the SCN dated February 28, 2019 issued against him is disposed of accordingly.

10. In terms of Rule 6 of the Adjudication Rules, copy of this order is sent to the Noticee's last known address and also to SEBI.

Date: August 14, 2020 **Amit Pradhan**

Place: Mumbai **Adjudicating Officer**