BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/PM/VC/2020-21/9170)

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

In respect of:

Shri Umesh Kashinath Gawand

PAN: AJSPG3604M

In the matter of:

M/s Global Securities Ltd

FACTS OF THE CASE

1. Upon noticing abnormal increase in the price of the shares of Global Securities Limited (hereinafter referred to as '**GSL**'/'**Company**') and on receipt of complaints of investors for non-transfer of shares in demat form, Securities and Exchange Board of India (hereinafter referred to as '**SEBI')** conducted investigation in the scrip of GSL for the period of March 16, 2012 to April 30, 2012 to examine the violation, if any, of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to

Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') by certain entities.

2. On the basis of the said investigation, it was alleged that one, Kumar Raichand Madan (hereinafter referred to as '**Noticee**'), by indulging in an act or omission amounting to manipulation of the price of the scrip of GSL, has violated the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) & (e) of PFUTP Regulations. SEBI has, therefore, initiated adjudication proceedings against the Noticee under section 15HA of the SEBI Act for his alleged violation of the abovementioned provisions of the PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. Shri Nagendraa Parakh was appointed as the Adjudicating Officer vide Order dated January 13, 2017 under Section 15-I of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act w.r.t the alleged failure on the part of the Noticee to comply with the provisions of PFUTP Regulations. Pursuant to the promotion of Shri Nagendraa Parakh, the undersigned was appointed as the Adjudicating officer in the matter, vide order dated May 18, 2017.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

4. A common Show Cause Notice reference no. EAD/AO-PM/NK/17842/2017 dated July 31, 2017 (hereinafter referred to as '**SCN**') was issued to the Noticee in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI

Act, to show cause as to why an inquiry should not be held and penalty be not imposed on the Noticee under the provisions of Section 15HA of the SEBI Act, for the aforementioned alleged contravention of the provisions of law by the Noticee.

5. I am now in receipt of a Death Certificate issued by Municipal Corporation of Greater Mumbai S Ward, which shows that the Noticee had passed away on September 19, 2017. Thus, it is observed that Noticee had expired subsequent to the initiation of the present adjudication proceedings against him.
6. In this regard, it is relevant to note that the Hon'ble Supreme Court Further, in Girijandini vs. Bijendra Narain (AIR 1967 SC 1124), *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. Relying on the aforementioned Order of Hon'ble SC, I am of the view that the adjudication proceedings initiated against the Noticee does not survive and is liable to be abated without going into the merits of the case. Consequently, no penalty is imposed on the Noticee who is since deceased and the Adjudication Proceedings against the Noticee stand abated.

ORDER

8. In view of my observations in the preceding paragraphs, I hereby dispose of the Adjudication Proceedings initiated against the Noticee viz. Late Shri Umesh

Kashinath Gawand under section 15HA of the SEBI Act for the alleged violation of Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) & (e) of PFUTP Regulations.

9. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is sent to the last known address of the Noticee Shri Umesh Kashinath Gawand and also to Securities and Exchange Board of India.

Place: Mumbai **PRASANTA MAHAPATRA**

Date: September 25, 2020 **ADJUDICATING OFFICER**