

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 2877 / 2014)

On the application submitted by

M/s Devkant Synthetics (India) Pvt Ltd

Settlement Order No. ISD/DSL/AO/SBM-VB/EAD-3/CO-01/2016

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide Order dated June 23, 2014 initiated adjudication proceedings against M/s Devkant Synthetics (India) Pvt Ltd (hereinafter referred to as '**the Noticee**') to inquire into and adjudge under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') the violation of the provisions of Regulation 13(1) read with Regulation 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations, 1992**') and Regulation 29(1) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "**Takeover Regulations, 2011**") by the Noticee in the matter of its dealings in the shares of Arms Paper Limited (hereinafter referred to as '**APL**' or '**Company**').
2. In this regard, a Show Cause Notice no. A&E/EAD-3/DRK-DS/22837/2014 dated August 01, 2014 (hereinafter referred to as '**SCN**') was issued to the Noticee. It was alleged in the SCN that the Noticee had received 6,91,848 shares of APL amounting to 12.54% of the shareholding of the Company on December 28, 2013 from Mangal Keshav Capital Ltd in an off-market transaction and was therefore required to make necessary disclosures in the prescribed format within two working days of the acquisition of the shares to APL and to the Stock Exchange in terms of the provisions of Regulation 13(1) read with Regulation 13(5) of PIT Regulations, 1992 and Regulation 29(1) read with Regulation 29(3) of the Takeover Regulations, 2011. As per the records available, it was observed that the Noticee did not make any disclosure with respect to the aforesaid acquisition of shares

to APL and to the stock exchange(s).The alleged failure on the part of the Noticee to make the necessary disclosures within the prescribed time period resulted in the violation of the above mentioned provisions of the SAST Regulations, 2011 and PIT Regulations, 1992 by the Noticee and was therefore liable for monetary penalty under the provisions of Section 15A (b) of the SEBI Act.

3. Pending Adjudication Proceedings, the Noticee submitted a Consent Application no. 2877/2014 dated September 02,2014 (which was received by SEBI on September 26, 2014) along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.
4. Consequent to the transfer of Shri D Ravikumar, the Competent Authority has appointed the undersigned as Adjudicating Officer vide Order dated June 22, 2015 to dispose of the current Settlement Proceedings.
5. Pursuant to the said Consent application no. 2877/2014, the Noticee's director, Shri Ram Ratan Kanoongo and its authorized representative Ms. Shailashri Bhaskar (Company secretary) attended a meeting with the Internal Committee on Consent on October 08, 2015 and the settlement terms were settled for an amount of ₹ 4,84,704/- (Rupees Four Lakh Eighty Four Thousand Seven Hundred and four only) towards settlement charges. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on October 21, 2015. The HPAC, after considering the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and other material brought before it by SEBI, recommended that the aforesaid adjudication proceedings against the Noticee may be settled on payment of ₹4,84,704/- (Rupees Four Lakh Eighty Four Thousand Seven Hundred and Four only) towards the settlement terms. The panel of Whole Time Members of SEBI also approved the said recommendation of HPAC.
6. Accordingly, the Noticee has remitted a sum of ₹ 4,84,704/- (Rupees Four Lakh Eighty Four Thousand Seven Hundred and Four Only) vide Demand

Draft No. 457384 dated February 11, 2016 drawn on HDFC Bank Ltd favoring SEBI towards the terms of settlement in the matter.

7. In view of the above, it is hereby ordered that:
- i. this settlement order disposes of the said adjudication proceedings initiated against the Noticee vide SCN dated August 1, 2014, as mentioned in paras 1 and 2 above and
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / re-opening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. Any representations made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
 - b. The Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
8. The settlement order passed on this the 25th day of February, 2016 shall come into force with immediate effect.
9. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee viz. M/s Devkant Synthetics (India) Pvt Ltd having registered office at 1006, Raheja Centre, 10th Floor, Nariman Point, Mumbai-400021 and also to the Securities and Exchange Board of India, Mumbai.

Place: MUMBAI
Date: 25.02.2016

SURESH B. MENON
ADJUDICATING OFFICER