

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO. EAD-5/SVKM/36/2017-18

SETTLEMENT ORDER

On the Application No. 3172 of 2016

Submitted by
Aura Alkalies and Chemical Pvt. Ltd.
(PAN NO. AADCT1519M)

1. Aura Alkalies and Chemicals Pvt. Ltd. is the promoter of Ashok Alco-Chem Ltd. (hereinafter referred to as “**Company/AACL**”) and it acquired 4,50,000 equity shares of AACL on March 25, 2015 pursuant to conversion by AACL of 4,50,000 warrants of ₹ 30 each held by the noticee into equity shares of ₹ 10/- each at a premium of ₹ 20/- per share. Vide the said acquisition the shareholding of the Noticee in AACL increased from 20,68,632 (49.84%) shares to 25,18,632 (54.75%) shares. As the acquisition dated March 25, 2015 resulted in change in the shareholding of noticee in AACL exceeding ₹ 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, it was required to make requisite disclosure in this regard within two days of the acquisition to AACL and exchanges where the shares of the company is listed as stipulated under Regulation 13(4A) read with Regulation 13(5) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as “**PIT Regulations, 1992**”). However, disclosure as stipulated under afore- mentioned Regulations was not made by the noticee to BSE.
2. In view of the above, SEBI initiated adjudication proceedings against the Aura Alkalies and Chemicals Pvt. Ltd. and vide order dated July 20, 2016

the undersigned was appointed as Adjudicating Officer 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 alleged violations of provisions of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 by Aura Alkalies and Chemicals Pvt. Ltd.

3. Accordingly, a Show Cause notice no. EAD-5/ADJ/SVKM/AA/OW/22850 /1/2016 dated August 12, 2016 (“**SCN**”) was issued to the Aura Alkalies and Chemicals Pvt. Ltd. under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Rules**”) alleging that they have violated the provisions of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations, 1992 by failing to make disclosure regarding change in its shareholding exceeding ₹ 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights pursuant to acquisition of 4,50,000 equity shares of AACL on March 25, 2015 to the stock exchanges within 2 working days.
4. While the adjudication proceedings pursuant to the said SCN were in progress, Aura Alkalies and Chemicals Pvt. Ltd. (hereinafter referred to as the “**Applicant**”), vide letter dated October 04, 2016 had submitted an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 Limited (hereinafter referred to as the “**Settlement Regulations, 2014**”) proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged violations.
5. The Authorised Representative of the applicant appeared before the Internal Committee of SEBI on March 23, 2017 where the terms of settlement were

deliberated upon. Thereafter, the applicant vide letter dated March 27, 2017 proposed to settle the aforesaid adjudication proceedings by offering to pay a sum of ₹ 2,00,000/- (Rupees Two Lakh only) towards settlement charges.

6. The settlement terms as proposed by the applicant were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on April 26, 2017. The HPAC, after considering the facts and circumstances of the matter, settlement terms offered by the applicant and the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings may be settled on payment of ₹ 2,00,000/- (Rupees Two Lakh only) towards settlement charges as proposed by the applicant. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC and the same was communicated to the applicant vide email dated June 21, 2017.
7. Accordingly, the applicant vide letter dated June 29, 2017 has remitted a sum of ₹ 2,00,000/- (Rupees Two Lakh only) towards settlement charges through Demand Draft no. 110479 dated June 28, 2017 drawn on YES Bank Ltd.
8. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against Aura Alkalies and Chemicals Pvt. Ltd. vide Show Cause Notice no. EAD-5/ADJ/SVKM/AA/OW/22850/1/2016 dated August 12, 2016
9. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the applicant, if :

- a. any representation made by the applicant in the settlement proceedings is subsequently found to be untrue; or
- b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.

10. This Settlement Order is passed on this **Twelfth day of July, 2017** and shall come into force with immediate effect.

Place: Mumbai

**S. V. Krishnamohan
Chief General Manager &
Adjudicating Officer**