

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[SETTLEMENT ORDER Ref No.: EAD-2/AP/VS/2020-21/7836]

UNDER SECTION 15JB OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 23(1) OF THE SEBI (SETTLEMENT OF ADMINISTRATIVE AND CIVIL PROCEEDINGS) REGULATIONS, 2018.

In respect of

Application No. 3977/2019 submitted by

Mr. Ketan Shah (PAN No.: AAEPS3824N)

In the matter of Seshasayee Paper and Boards Limited

1. Securities and Exchange Board of India (‘SEBI’) had conducted an examination in the matter of Seshasayee Paper and Boards Limited (hereinafter referred to as ‘SPBL/the Company’). The examination *prima facie* revealed that during quarter ended December 2012, certain public shareholders including Mr. Ketan Shah hereinafter referred to as ‘applicant’) were classified as Promoters of the Company. For the said change in type of shareholding from normal shareholder to promoter shareholder, he was required to make requisite disclosures to Company under regulation 13(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 read with regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “the PIT Regulations”) but the applicant failed to do so.
2. Pursuant to above, the competent authority in SEBI was satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged violation of aforesaid PIT Regulations. Vide a *communication-order* dated May 14, 2019, the competent authority had appointed Mr. Santosh Shukla, CGM, as Adjudicating Officer (“erstwhile AO”) under section 15-I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘SEBI Act’) and rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘SEBI Adjudication Rules’) to inquire into and adjudge under section of 15A(b) of the SEBI Act, 1992 for the aforesaid alleged violations. Subsequently, by a *communication-order* dated January 07, 2020, this case has been transferred to the undersigned with an advise that except for the change of the Adjudicating Officer the other terms and conditions of the original orders ‘*shall remain unchanged and shall be in full force and effect*’ and that the “*Adjudicating Officer shall proceed in accordance with the terms of reference made in the original orders*”.

3. Accordingly, in terms of rule 4(1) SEBI Adjudication Rules read with section 15I of SEBI Act, the notice to show cause no. EAD-2/SS/VS/6745/BD/4/2019 dated June 04, 2019 (hereinafter referred to as 'the SCN') was issued to the applicant, by erstwhile AO, calling upon it to show cause as to why an inquiry should not be held against him in terms of rule 4 of the SEBI Adjudication Rules and penalty be not imposed under Section 15A(b) of the SEBI Act.
4. Thereafter, the applicant proposed to settle the instant proceedings, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement application bearing reference no. 3977/2019 with SEBI in terms of regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations').
5. After attending meeting with the Internal Committee of SEBI on November 14, 2019, in terms of the Settlement Regulations, the applicant vide letter dated November 20, 2019, proposed the settlement terms. The High Powered Advisory Committee ('HPAC') in its meeting held on March 02, 2020, considered the settlement terms proposed and recommended the case for settlement upon payment of ₹6,74,688/- (Rupees Six Lakh Seventy-Four Thousand Six Hundred and Eighty-Eight only) towards settlement charges.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on March 19, 2020 and the same was communicated by SEBI to the applicant on March 20, 2020. Accordingly, the applicant, has requested for 15 days' extension for making payments in view of the nationwide lockdown. The competent authority has granted extension of making payments by 15 days i.e., by April 19, 2020. However, the applicant has made payment of ₹6,74,688/- (Rupees Six Lakh Seventy-Four Thousand Six Hundred and Eighty-Eight only) on April 24, 2020, i.e., with a delay of 5 days after the due date. Accordingly, vide May 14, 2020 the applicant was advised to make payment of ₹3,882/- (Rupees Three Thousand Eight Hundred and Eighty Two only) towards the interest. The Applicant vide his email dated May 16, 2020, informed about the payment of interest. The concerned department of SEBI vide their email dated May 20, 2020 has confirmed the receiving of the interest charges.
7. Now therefore, in view of the acceptance of the settlement terms and receipt of settlement amount as well as the interest amount as above by SEBI, the instant adjudication proceedings initiated against the applicant vide SCN dated June 04, 2019 are disposed of in terms of section 15JB of the SEBI

Act, 1992 read with regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

8. This order shall come into force with immediate effect. 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 in respect to which this settlement order is passed, if:
 - a) The applicant fails to comply with the settlement order or at any time after the settlement order is passed,
 - b) The applicant has not made full and true disclosure or has violated the undertakings or waivers, settlement order shall stand revoked and withdrawn and the Board shall restore or initiate the proceedings, with respect to which the settlement order was passed.
9. In terms of regulation 25 of the Settlement Regulations, a copy of this order is sent for service to the applicant and the order is also published on the website of SEBI.

Date: June 01, 2020
Place: Mumbai

Amit Pradhan
Adjudicating Officer