

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,
MUMBAI**

**SETTLEMENT ORDER
On the Application No. 2808 of 2014**

filed by
V.K. JAIN (HUF)
(PAN:AAAHV1468H)
and
DIVYA JAIN
(PAN: AGCPM0147L)

in the matter of
ADVIK LABORATORIES LTD.

CONSENT ORDER NO. EAD-5/ASK/01-02/2014

1. An open offer was made by M/s Omkam Pharmaceuticals Pvt. Ltd. (hereinafter referred to as '**Acquirer**') to the shareholders of Advik Laboratories Ltd. (hereinafter referred to as '**ALL**'), Target Company listed at Bombay Stock Exchange and Ahmedabad Stock Exchange through a public announcement dated June 20, 2012 for acquisition of 24,31,884 equity shares of the face value of ₹ 10 each representing 26% of the paid up equity share capital of the Target Company at a price of ₹ 5 per fully paid up equity share payable in cash.
2. While examining the draft letter of offer, Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') observed that V.K. Jain (HUF) (hereinafter referred to as '**Applicant No.1**') and Divya Jain (hereinafter referred to as '**Applicant No.2**') who are a part of the promoter group of ALL had violated regulation 29(2) read with 29(3) of SAST Regulations, 2011. It was observed that Applicant

No.1 had acquired and Applicant No.2 had sold 3,17,887 shares constituting 3.40% of the share capital of ALL on November 15, 2011. Applicant No.1 and Applicant No. 2 (hereinafter collectively referred to as '**Applicants**') were required to make disclosures under regulation 29(2) read with 29(3) of SAST Regulations, 2011 within two working days of the acquisition/sale of shares of ALL i.e. on November 17, 2011. However, the said disclosures by the Applicants were made on September 04, 2012 with a delay of 294 days.

3. In view of the above, SEBI initiated adjudication proceedings in respect of the Applicants to inquire into and adjudge under section 15A(b) of the SEBI Act, the alleged violation of the provisions of regulation 29(2) read with 29(3) of SAST Regulations, 2011 during the year 2011. Shri Piyoosh Gupta was appointed as the Adjudicating Officer vide Order July 24, 2013 to inquire into and adjudicate the alleged violation committed by the Applicants. Consequent to the transfer of Shri Piyoosh Gupta, erstwhile Adjudicating Officer, the undersigned was appointed as the Adjudicating Officer in the matter. Accordingly, a Show Cause Notice dated November 29, 2013 was issued to the Applicants under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, to inquire into and adjudge under Section 15 A(b) of the SEBI Act, the alleged violations committed by the Applicants.
4. Subsequent to the same, the applicants vide its application dated February 11, 2014 had filed an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through a Settlement order, the

aforementioned adjudication proceedings for the violation of the provisions of regulation 29(2) read with 29(3) of SAST Regulations, 2011.

5. The applicants had a meeting with the Internal Committee of SEBI on June 16, 2014 where the terms of settlement was deliberated upon for violation of regulation 29(2) read with 29(3) of SAST Regulations, 2011 for the year 2011 as alleged in the Show Cause Notice and also for violation of regulation 13(4A) read with 13(5) of SEBI (Prohibition of Insider Trading Regulations), 1992 (hereinafter referred to as '**PIT Regulations, 1992**') for the year 2011 for which the applicants voluntarily sought settlement. Thereafter, the applicants vide its letter dated June 24, 2014 requested for revision of settlement amount. Subsequently, in the next meeting with the Internal Committee of SEBI held on July 30, 2014 the applicants proposed the revised consent terms to settle the aforesaid adjudication proceedings for the violation of regulation 29(2) read with 29(3) of SAST Regulations, 2011 by offering to pay a sum of ₹ 2,47,190.65 /-(Rupees Two Lakh Forty Seven Thousand one Hundred and Ninety and Sixty Five Paisa Only/-) by Applicant No.1 and ₹ 2,61,731.25/- (Rupees Two Lakh Sixty One Thousand Seven Hundred and Thirty One and Twenty Five Paisa Only) by Applicant No.2 towards settlement charges.
6. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on August 28, 2014 considered the settlement terms proposed by the applicants and recommended the case for settlement upon payment of ₹ 2,47,190.65 /-(Rupees Two Lakh Forty Seven Thousand one Hundred and Ninety and Sixty Five

Paisa Only/-) by Applicant No.1 and ₹ 2,61,731.25/- (Rupees Two Lakh Sixty One Thousand Seven Hundred and Thirty One and Twenty Five Paisa Only) by Applicant No.2 towards settlement charges. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC and the same was communicated to the applicant vide an e-mail dated October 31, 2014.

7. Accordingly, the applicants have vide Draft Nos. 000947 and 000948 dated November 13, 2011 drawn on 'HDFC Bank' and payable at Mumbai remitted a sum of ₹ 2,47,190.65 /-(Rupees Two Lakh Forty Seven Thousand one Hundred and Ninety and Sixty Five Paisa Only/-) for Applicant No.1 and ₹ 2,61,731.25/- (Rupees Two Lakh Sixty One Thousand Seven Hundred and Thirty One and Twenty Five Paisa Only) for Applicant No.2 towards the settlement charges.
8. In view of the above, in terms of Regulation 15(1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:
 - I. This Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Applicants as mentioned above and;
 - II. Passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the Applicant, if SEBI finds that:
 - a. any representations made by the Applicant in the settlement

proceedings are subsequently discovered to be untrue;

b. the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the current settlement proceedings

9. This Settlement Order is passed on this **Twentieth day of November, 2014** and shall come into force with immediate effect.

10. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Applicant and also to Securities and Exchange Board of India, Mumbai.

DATE: November 20, 2014

PLACE: MUMBAI

A. SUNIL KUMAR

ADJUDICATING OFFICER