

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**

(Application No. 2870/ 2014)

On the application submitted by

**Votorantim Cimentos S.A.**

**Settlement Order No: CFD/SDCCL/AO/SBM-ASR/EAD-3/CO-07/2015**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide communiqué dated April 26, 2013 initiated adjudication proceedings against Votorantim Cimentos S.A. (hereinafter referred to as '**the applicant**') to inquire into and adjudge under Section 15H(ii) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') the violation of the provisions of Regulation 13(2)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as '**SAST Regulations**') alleged to have been committed by the applicant in the matter of Shree Digvijay Cement Co. Ltd. (hereinafter referred to as "**SDCCL**" or "**Target Company**").
2. In this regard, a Show Cause Notice ref. A&E/DRK/CS/14975/2014 dated May 23, 2014 (hereinafter referred to as '**SCN**') was issued to the applicant. It was alleged in the SCN that the applicant along with InterCement Austria Holding GmbH (hereinafter referred to as "**InterCement**") and Camargo Correa S.A. (hereinafter referred to as "**Camargo**") have failed to comply with certain provisions of the SAST Regulations while making an open offer for acquisition of 36,757,313

shares representing 26% of the paid up equity share capital of SDCCL. As per the Letter of Offer dated July 6, 2012, the applicant along with InterCement were mentioned as the acquirers in the open offer and Camargo was mentioned as the Person acting in Concert ( **PAC**). It was mentioned in the SCN that the company named Cimpor - Cimentos de Portugal, SGPS, S.A ( hereinafter referred to as "**Cimpor**") was holding 73.63% share capital of SDCCL. It was further mentioned that the applicant directly held 21.40% and Camargo indirectly held 33.25 % of the voting share capital of Cimpor. As on March 30, 2012, InterCement made a preliminary announcement of a voluntary tender offer in Portugal for acquiring the remaining shares of Cimpor. As InterCement was acquiring the remaining shares of Cimpor ( while the applicant and Camargo already held 21.40% and 33.25 % of the shares of Cimpor respectively), and Cimpor held 73.63% stake in SDCCL, it resulted in indirect acquisition of the shares of SDCCL by the applicant along with InterCement and Camargo, which triggered the provisions of Regulation 13 (2) ( e) of the SAST Regulations. The applicant along with InterCement and Camargo were liable to make a Public Announcement ( PA) of an open offer in terms of the SAST Regulations.

3. It was alleged in the SCN that the applicant along with InterCement and Camargo made the PA in respect of the open offer on June 26, 2012 i.e after a delay of 81 days from the stipulated date of making the PA, which was on March 30, 2012. It was therefore alleged in the SCN that the applicant along with InterCement and Camargo have violated the provisions of Reg 13 (2) ( e) of the SAST Regulations and liable for penalty under the provisions of Section 15 H (ii) of the SEBI Act.
4. Pending Adjudication Proceedings, the applicant submitted a Consent Application no. 2870/2014, which was received by SEBI on August 25, 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 (hereinafter referred to as "**Settlement Regulations**").

5. Consequent to the transfer of Shri D Ravikumar, the Competent Authority has appointed the undersigned as Adjudicating Officer on June 22, 2015 to dispose of the current Settlement Proceedings.
6. Pursuant to the above said Consent Application made by the applicant, the Authorized Representatives of the applicant, Shri Dhaval Haresh Kothari and Shri Paras Kirit Parek, Advocates attended a meeting with the Internal Committee on Consent (hereinafter referred to as '**IC**') on December 05, 2014. During the aforesaid meeting, the settlement terms of Rs. 25,50,000/- (Rupees Twenty Five Lakh and Fifty Thousand Only) calculated as per the Settlement Regulations were communicated to the authorised representatives of the applicant. The applicant vide letter dated December 09, 2014 proposed payment of Rs. 25,50,000/- (Rupees Twenty Five Lakh and Fifty Thousand Only) towards full and final payment of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the applicant.
7. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on February 06, 2015, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the applicant and other material brought before the Committee by SEBI. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings against the applicant may be settled on payment of Rs. 25,50,000/- (Rupees Twenty Five Lakh and Fifty Thousand Only) towards the

settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on April 16, 2015 and the same was communicated to the applicant vide email dated August 14, 2015 and letter dated August 24, 2015.

8. Accordingly, the applicant vide letter dated September 03, 2015 has remitted a sum of Rs. 25,50,000/- (Rupees Twenty Five Lakh and Fifty Thousand Only) towards the settlement charges through Demand Draft No. 701053 dated September 04, 2015 drawn on Standard Chartered Bank.
9. In view of the above, in terms of Regulation 15 (1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the applicant viz. Votorantim Cimentos S.A. vide SCN ref. A&E/DRK/CS/14975/2014 dated May 23, 2014.
10. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if :
  - a. any representations 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.
11. This settlement order is passed on the **29th day of September, 2015** and shall come into force with immediate effect.

12. In terms of Regulation 17 of the Settlement Regulations, 2014, copies of this order are being sent to the applicant viz. Votorantim Cimentos S.A. and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date: 29.09.2015**

**SURESH B. MENON**  
**ADJUDICATING OFFICER**