

BEFORE THE ADJUDICATING OFFICER
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO. EAD-7/BJD/NJMR/1/2018-19

SETTLEMENT ORDER

In respect of application no., 3413/2017

**Submitted by Systematix Corporate Services Ltd., in the matter of
Systematix Corporate Services Ltd.,**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has initiated Adjudicating proceedings against Systematix Corporate Services Ltd., (Noticee/Applicant) in the matter of Systematix Corporate Services Ltd., under Section 23 A (a) of Securities Contracts (Regulation) Act, 1956 (SCRA) and Section 15 A (b) of SEBI Act.
2. Earlier, Shri Prasad Jagdale was appointed as the Adjudicating Officer vide order dated January 20, 2016 to inquire into and adjudge the matter for the alleged violations committed by the Noticee. Pursuant to internal restructuring, the undersigned was appointed as Adjudicating Officer vide order dated May 18, 2017 in the matter.
3. A Show Cause Notice reference no. EAD/BJD/NJMR/23441/2017 dated September 27, 2017 (hereinafter referred to as '**SCN**') was issued to the Applicant/Noticee. It was alleged that Systematix Corporate Services Ltd., had made delayed disclosure of acquisition of shares by one of its promoters to the Stock Exchange under Clause 35 of Listing Agreement. It was also alleged that the Noticee/Appellant had failed to disclose acquisition of shares by one of its promoters to Stock Exchange within the stipulated time, under Regulation 8 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (*SAST Regulations*). Therefore, it was alleged that the Noticee/Applicant had violated the provisions of Clause 35 of Listing Agreement and Regulation 8 (3) of SEBI (SAST) Regulations, 1997.

4. While the Adjudication proceedings were in progress, the Applicant/Noticee submitted an application for settlement of the Adjudication proceedings, in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to “**Settlement Regulations**”).
5. The Applicant/Noticee vide its letter dated August 10, 2018 had proposed the revised settlement terms, which was considered by an Internal Committee (**IC**) of SEBI in its meeting held on August 10, 2018.
6. The settlement terms as proposed by the Applicant/Noticee were placed before the High Powered Advisory Committee (**HPAC**) in its meeting held on September 3, 2018. After considering the facts / circumstances of the case, material brought before it, the HPAC recommended that the aforesaid violations, in the facts of the case, may be settled on payment of ₹ 5,00,000/- (Rupees Five lakhs only) towards settlement terms as proposed by the Applicant/Noticee.
7. The recommendation of HPAC were approved by a Panel of the Whole Time Members of SEBI on October 12 & 16, 2018, which was communicated to the Noticee/Appellant through email on October 17, 2018. The Noticee/Applicant vide letter dated October 19, 2018 had submitted a demand draft bearing no. 529793 dated October 19, 2018 drawn on Axis Bank for an amount of ₹ 5,00,000/- (Rupees Five lakhs only) towards the settlement of actions in the instant matter.
8. Therefore, in view of acceptance of the settlement terms as proposed by the Noticee/Applicant and upon receipt of settlement amount by SEBI, the pending Adjudication Proceedings initiated against the Applicant/Noticee under the aforesaid SCN dated September 27, 2017, are hereby disposed of in terms of Regulation 15(1) of the Settlement Regulations.

9. This Order is without prejudice to the right of SEBI to initiate Enforcement actions including commencing / reopening of the pending proceedings against the Applicant/Noticee, if SEBI finds that:
- i. any representations made by the Applicant in the present settlement proceedings are subsequently discovered to be untrue.
 - ii. the Applicant has breached any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings.
10. This settlement order passed on October 26, 2018 shall come into force with immediate effect.
11. In terms of Regulation 17 of Settlement Regulations, a copy of this order is being sent to the Applicant/Noticee and for publication on the website of SEBI.

Date: October 26, 2018
Place: Mumbai

B J DILIP
Adjudicating Officer