

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 3314/ 2017)

On the application submitted by

M/s. OTCO International Limited

Settlement Order No. CFD/OTCO/EAD/AO/KS/CO-01/2018

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide Order dated December 04, 2015 initiated adjudication proceedings against M/s OTCO International Limited (hereinafter referred to as '**Noticee**') by appointing Shri Prasad Jagdale as Adjudicating Officer to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') for the violation of the provisions of guideline 15.1.7 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as '**DIP Guidelines, 2000**') alleged to have been committed by the Noticee. Pursuant to the transfer of Shri Prasad Jagdale, Shri Suresh Gupta was appointed as Adjudicating Officer and thereafter, the undersigned has been appointed as the Adjudication Officer vide an Order dated May 18, 2017
2. Show Cause Notice no. A&EO/EAD/KS/SM/14337/1/2017 dated June 21, 2017 (hereinafter referred to as '**SCN**') was issued to the Noticee. It was alleged that the Board of directors of Noticee approved the bonus issue of 5,18,624 shares on June 30, 2007 and in this regard, the Noticee was required to complete the bonus issue within six months i.e. on or before

December 30, 2007 as prescribed in section 15.1.7 of DIP Guidelines, 2000. However, OTCO completed the bonus issue on January 29, 2008 i.e. with a delay of 30 days from the due date for completion of bonus shares. It was alleged that the Noticee has not completed the process of bonus issue within six months as prescribed under Guideline 15.1.7 of SEBI DIP Guidelines 2000. Hence, the Noticee has violated the provisions of section 15.1.7 of SEBI DIP Guidelines 2000.

3. The Noticee had submitted an application vide no. 3314/2017 dated July 15, 2017 and an undertaking in the format prescribed by SEBI for settlement of the matter in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**'). Pursuant to the said application, the settlement terms as proposed by the Noticee for an amount of Rs.2,00,000/- (Rupees Two Lakh Only) towards settlement charges was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on November 27, 2017. After considering the facts and circumstances of the case, the HPAC recommended that the case may be settled by the Noticee on payment of Rs.2,00,000/-. Thereafter, the recommendation of HPAC were approved by the panel of Whole Time Members of SEBI on January 03, 2018.
4. Accordingly, the Noticee has remitted a sum of Rs 2,00,000/- (Rupees Two Lakh only) vide cheque no 219159 dated January 06, 2018 drawn on Punjab National Bank Ltd favoring SEBI towards the terms of settlement in the matter.
5. In view of the above, in terms of Regulation 15 (1) of the Settlement Regulations, it is hereby ordered that this settlement order disposes of the adjudication proceedings initiated against the Noticee vide SCN dated June 21, 2017.

6. This order is without prejudice to the right of SEBI to take enforcement actions including commencing /re-opening of the pending proceedings against the Noticee, if SEBI finds that :
- a. any representation made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
7. In terms of Regulation 17 of the Settlement Regulations, copies of this order are being sent to the Noticee viz. OTCO International Limited and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: 29.01.2018

**K SARAVANAN
GENERAL MANAGER &
ADJUDICATING OFFICER**