

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER NO. SO/SM/HG/2022-23/6931]

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

In respect of:

Settlement application no. 6931/2022 submitted by:

Name of Entity	PAN
Anji Raju Manthena	ARHPM7137J

In the matter of Kernex Microsystems (India) Limited

1. An open offer for acquisition of up to 32,50,000 equity shares representing twenty-six (26) per cent of voting share capital of the Kernex Microsystems (India) Limited (hereinafter referred as **"Target Company"**) was made in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as **'SAST Regulations'**) by Anji Raju Manthena (hereinafter referred to as the **'Noticee/ Applicant / by name'**), who is a promoter of the Target Company. In pursuance to the aforesaid Open Offer, a Draft Letter of Offer (hereinafter referred to as **'DLOO'**) was submitted by Mark Corporate Advisors, the Manager to the Open Offer (hereinafter referred to as **'Mark Corporate Advisors/MB'**), acting on behalf of the acquirer, to Securities and Exchange Board of India (herein after referred to as **'SEBI'**). On the basis of examination of the DLOO, SEBI observed alleged violations of disclosure norms under Regulations 29(2) and (3) of SAST Regulations by Noticee in the prior transactions in the shares of the Target Company.

2. SEBI, vide its order dated March 04, 2022, appointed the undersigned as the Adjudicating Officer (hereinafter referred to as '**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 '**Adjudication Rules**') read with Section 19 of the SEBI Act to inquire into and adjudge under Section 15A(b) of SEBI Act, the alleged violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations by the Noticee.
3. In this regard, a Show Cause Notice dated June 01, 2022 (hereinafter referred to as '**SCN**') was issued to Noticee under Rule 4(1) of SEBI Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticee and penalty, if any, not to be imposed upon Noticee for the aforesaid violations alleged to have been committed by Noticee.
4. The observation/allegations levelled against Noticee in the SCN are as under:
 - a) It was observed from the Mark Corporate Advisors letters dated December 20, 2021, October 14, 2021 and November 03, 2021 that for the transactions by Noticee on July 09, 2014 for acquisition of 1.54% shares of Target Company and on May 05, 2017 for acquisition of 1.10% shares of Target Company, Noticee had not complied with the applicable disclosure requirements under Regulation 29(2) read with Regulation 29(3) of SAST Regulations. Thus, it was alleged that Noticee had failed to make disclosure in terms of Regulations 29(2) and 29(3) of SAST Regulations for the aforesaid transactions and thus, had violated the aforesaid provisions of SAST Regulations.
5. I note from the records that pending adjudication proceedings, Noticee proposed to settle the instant proceedings initiated against him, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement application dated June 27, 2022 (application no. 6931/2022) with SEBI

in terms of provisions of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).

6. After attending meeting with the Internal Committee of SEBI on November 29, 2022, in terms of the Settlement Regulations, Noticee proposed revised settlement terms vide letter dated December 07, 2022. The High Powered Advisory Committee ('HPAC') in its meeting held on December 27, 2022 considered the revised settlement terms proposed and agreed with the recommendations of the Internal Committee and recommended that the request of the applicant for settlement may be accepted upon payment of Rs. 4,86,200/- (Rupees Four Lakh Eighty Six Thousand Two Hundred only) by the applicant.
7. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on January 20, 2023 and subsequently, Notice of Demand was issued to the applicant vide email dated January 30, 2023. Accordingly, as communicated by Noticee to SEBI vide email dated March 01, 2023, the settlement amount of Rs. 4,86,200/- (Rupees Four Lakh Eighty Six Thousand Two Hundred only) from Noticee, viz. Anji Raju Manthena was remitted to SEBI using online payment module and was duly received by SEBI.
8. Therefore, in view of the acceptance of settlement terms and receipt of above settlement amount by SEBI, the instant adjudication proceedings initiated against Applicant vide SCN vide no. EAD-10/SM/S./23175/1/2022 dated June 01, 2022 are disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations, on the basis of settlement terms.
9. 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:
 - i. Any representation made by Applicant in the settlement proceedings are subsequently discovered to be untrue; or

- ii. Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.

10. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is being sent to the Noticee viz. Anji Raju Manthena and the order is also being published on the website of SEBI.

Date: March 13, 2023

Place: Mumbai

SOMA MAJUMDER

Adjudicating Officer