

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No. 3245 of 2017

Filed by 1) Mr. Pawan Kumar Garg [PAN – AELPG1406M], 2) Mr. Atul Kumar Garg [PAN – AELPG1413N], 3) Mr. Ankur Garg [PAN – AEOPG9220N], 4) Mr. Kunal Garg [PAN – AFQPG6398L] – in the matter of M/s. Standard Surfactants Limited.

1. 1) Mr. Pawan Kumar Garg, 2) Mr. Atul Kumar Garg, 3) Mr. Ankur Garg, and 4) Mr. Kunal Garg (hereinafter referred to as ‘applicants’), in the matter of Standard Surfactants Limited, filed a common settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as ‘Settlement Regulations’), without admitting or denying the findings of fact and conclusions of law, proposing to settle, through a settlement order, the proposed enforcement proceedings intimated vide Notice of Approved Enforcement Action dated January 24, 2017, for the delayed compliances as detailed hereunder:

- (a) Mr. Pawan Kumar Garg – Regulations 13(1) read with 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992, and Regulations 7(1A) read with 7(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

- (b) Mr. Atul Kumar Garg – Regulations 13(1) read with 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992, and Regulations 7(1A) read with 7(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- (c) Mr. Ankur Garg – Regulations 13(1) read with 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992, and Regulations 7(1A) read with 7(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- (d) Mr. Kunal Garg – Regulation 13(4A) of the SEBI (Prohibition of Insider Trading) Regulations, 1992, and Regulation 29(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
2. It was observed by SEBI that the applicants had made delayed disclosures under Regulations 13(1), 13(4A) and 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992, Regulations 7(1A), and 7(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 when their shareholding changed by more than the prescribed threshold limit of 2%. The applicants had failed to make the requisite disclosures within the stipulated time and the disclosures were made subsequently.
3. Pursuant to the applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on March 19, 2019, wherein the settlement terms were deliberated. Thereafter, the applicants, vide e-mail dated March 26, 2019, proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee (HPAC) in its meeting held on

March 29, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹96,60,398/- (Rupees Ninety Six Lakh Sixty Thousand Three Hundred and Ninety Eight only) by the applicants towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicants vide e-mail dated May 13, 2019.

5. The applicants vide letter dated May 27, 2019 (received by SEBI on May 29, 2019) submitted a Demand Draft No. 004747 dated May 27, 2019 drawn on HDFC Bank Limited remitted ₹64,00,000/- (Rupees Sixty Four Lakhs only) and vide letter dated May 28, 2019 (received by SEBI on June 03, 2019) submitted a Demand Draft No. 052246 dated May 28, 2019 drawn on HDFC Bank Limited remitted ₹32,60,398/- (Rupees Thirty Two Lakh Sixty Thousand Three Hundred and Ninety Eight only) towards the settlement amount. The applicants have thus remitted a total amount of ₹96,60,398/- (Rupees Ninety Six Lakh Sixty Thousand Three Hundred and Ninety Eight only) towards the settlement amount.
6. The applicants had remitted the settlement amount after a period of 15 calendar days but within a period of 30 calendar days. In view of the geographical distance/inconveniences in obtaining the demand drafts and submitting the demand drafts to SEBI by post/courier, there was an inadvertent delay in the matter. The said delay is condoned in terms of Regulation 15(2) of the Settlement Regulations.
7. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that:
 - i. the proposed enforcement proceedings for the alleged default as

discussed in paragraph 1 above, are settled qua the applicant as per the above terms,

- ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
- iii. this order disposes of the said proposed enforcement proceedings in respect of the applicant as mentioned above and;
- iv. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

- 8. This settlement order is passed on this 8th. day of July, 2019 and shall come into force with immediate effect.
- 9. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER