

**BEFORE THE ADJUDICATING OFFICER
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

SETTLEMENT ORDER NO. EAD-2/AO/DSR/RG/PU/272/2014

On the Application no. **2832/2014** submitted by
AAR KAY Steel Products Limited

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has conducted an examination in the shares of AAR KAY Steel Products Limited (hereinafter referred to as 'the Applicant'), a company listed on the Delhi Stock Exchange (DSE) and into the possible violation of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') and the various Rules and Regulations made there under. Upon examination it was, inter alia, observed that the Applicant had made the disclosures to DSE under Regulation 8 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, (herein after referred to as the 'Takeover Regulations') belatedly for the years 1998 to 2011.
2. SEBI, therefore, initiated adjudication proceedings and I was appointed as the Adjudicating Officer vide order dated February 20, 2014, under Section 15 I of the SEBI Act for adjudging the alleged violation of Regulation 8 (3) of the Takeover Regulations. Thereafter, a Show Cause Notice bearing no. EAD-2/PU/8074/2014 dated March 14, 2014 was issued under Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') to the Applicant. The details of the said delayed disclosures made by the Applicant are as under:

Regulation	Due date of compliance	Actual date of compliance	Delay
8 (3)	30/04/1998	09/06/2009	4058
8 (3)	30/04/1999	09/06/2009	3693
8 (3)	30/04/2000	09/06/2009	3327
8 (3)	30/04/2001	09/06/2009	2962
8 (3)	30/04/2002	09/06/2009	2597
8 (3)	30/04/2003	09/06/2009	2232
8 (3)	30/04/2004	09/06/2009	1866
8 (3)	30/04/2005	09/06/2009	1501
8 (3)	30/04/2006	09/06/2009	1136
8 (3)	30/04/2007	09/06/2009	771
8 (3)	30/04/2008	09/06/2009	405
8 (3)	30/04/2009	15/04/2013	1081
8 (3)	30/04/2010	15/04/2013	716
8 (3)	30/04/2011	15/04/2013	351

3. Pending the adjudication proceedings, the Applicant vide its letter dated May 14, 2014 filed an application for settlement and an affidavit of 'Undertakings and Waivers' under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as Settlement Regulations) by proposing to pay ₹ 2,00,000/- (Rupees Two Lakh Only) towards settlement fees, in the matter. The Applicant, vide letter dated June 17, 2014, submitted the revised settlement terms of ₹ 6,92,750/- (Rupees Six Lakh Ninety Two Thousand Seven Hundred and Fifty Only) towards the settlement of the alleged violations. The revised settlement terms as proposed by the Applicant were placed before the High Powered Advisory Committee (HPAC) in its meeting held on July 22, 2014. After considering the facts and circumstances of the case, the HPAC recommended that the case may be settled on payment of ₹ 6,92,750/- (Rupees Six Lakh Ninety Two Thousand Seven Hundred and Fifty Only) towards settlement charges which were approved by the panel of the Whole Time Members, SEBI on September 22, 2014. Thereafter, the acceptance of the said proposal was communicated to the Applicant by SEBI vide e-mail dated September 29, 2014.

4. Accordingly the Applicant has remitted a sum of ₹ 6,92,750/- (Rupees Six Lakh Ninety Two Thousand Seven Hundred and Fifty Only), vide demand draft bearing no. 204802 dated October 07, 2014, drawn on State Bank of Bikaner & Jaipur, payable at Mumbai, towards the terms of settlement in the matter.
5. In view of the above, in terms of Regulation 15(1) of Settlement Regulations it is hereby ordered that this settlement order disposes of the adjudication proceedings initiated against the Applicant vide Show Cause Notice No. EAD-2/PU/8074/2014 dated March 14, 2014.
6. This order is without prejudice to the right of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the Applicant, if SEBI finds that:
 - i. any representations made by the Applicant in the settlement proceedings are subsequently discovered to be untrue.
 - ii. the Applicant has breached any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.
7. In terms of Regulation 17 of Settlement Regulations, a copy of this order is being sent to the Applicant and is published on the website of SEBI.

DATE: October 31, 2014
PLACE: Mumbai

D. SURA REDDY
GENERAL MANAGER &
ADJUDICATING OFFICER