

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application No.

4128 of 2020 filed by Ms. Ekta Anand Kabra [PAN: AHCPK0391F]

in the matter of Kabra Extrusiontechnik Limited

1. Ms. Ekta Anand Kabra (hereinafter referred to as the 'applicant'), filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the 'Settlement Regulations') proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the probable enforcement proceedings for the alleged violation of Regulation 10(5), 10(6), 10(7) and 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the 'SAST Regulations'), Regulation 7(2) and Clause 10 of the Code of Conduct given under Schedule – B specifying Minimum Standards for the Code of Conduct to regulate, monitor and report trading by insiders read with Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'PIT Regulations') in respect of the acquisition of shares in Kabra Extrusiontechnik Limited (hereinafter referred to as the 'Company').
2. The applicant is a part of the promoter group of the Company and acquired 15,00,000 shares of the Company on September 18, 2019 from M/s Kolsite Corporation, which is also part of the promoter group of the Company. The aforesaid transaction led to an increase in shareholding of the applicant in the Company from 4.71% to 6.31%. The same was required to be disclosed to the Stock Exchange within 2 working days of the date of transaction under Regulation 29(2) read with 29(3) of the SAST Regulations. In addition, since the value of the above transaction was more than Rupees 10 Lakhs, the

same was also required to be disclosed to the Company, within two working days from the date of the transaction, under Regulation 7(2) of the PIT Regulations. Furthermore, since the above transactions entailed an inter-promoter transfer of shares, the applicant was required to:

- a. intimate the Stock Exchange at least four working days prior to the proposed acquisition under Regulation 10(5) of the SAST Regulations,
- b. file a report with the Stock Exchange not later than four working days from the date of acquisition under Regulation 10(6) of the SAST Regulations, and
- c. submit a report to SEBI along with the supporting documents and a non-refundable fee as required under Regulation 10(7) of the SAST Regulations.

However, it was observed that the said disclosures and reports as specified above, were filed only on March 17, 2020 with a delay of 150 – 187 days.

3. Further, on the same day of acquiring the 15,00,000 shares, i.e. September 18, 2019, the applicant sold 50,000 shares of the Company, thus engaging in contra-trade, which is in violation of Clause 10 of Code of Conduct given under Schedule – B specifying Minimum Standards for Code of Conduct to regulate, monitor and report trading by insiders read with Regulation 9(1) of the PIT Regulations.
4. Pursuant to filing of the settlement application, the authorized representatives of the applicant held a meeting with the Internal Committee of SEBI on November 27, 2020 and deliberated on the settlement terms. Thereafter, the applicant vide her e-mail dated December 09, 2020, proposed the revised settlement terms to settle the defaults mentioned above.
5. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on December 30, 2020 considered the proposed settlement terms made by the applicant and recommended the case for settlement on the basis of the following settlement terms: -

- i. payment of ₹15,85,391/- (Rupees Fifteen Lakh Eighty Five Thousand Three Hundred and Ninety One only) as the settlement amount, and
 - ii. disgorgement of profits of ₹72,500/- (Rupees Seventy Two Thousand and Five Hundred only) along with ₹10,679/- (Rupees Ten Thousand Six Hundred and Seventy Nine) being the simple interest at the rate of 12% from the date of alleged default to the date of submission of Revised Settlement Terms, amounting to a total of ₹83,179/- (Rupees Eighty Three Thousand One Hundred and Seventy Nine) to the IPEF.
6. The applicant vide UTR No. SBINR52021020910340993 and SBIN121039626801, both dated February 09, 2021 remitted ₹15,85,391/- (Rupees Fifteen Lakh Eighty Five Thousand Three Hundred and Ninety One only) and ₹83,179/- (Rupees Eighty Three Thousand One Hundred and Seventy Nine) respectively, towards the settlement terms as proposed by her for the settlement of the proceedings that could have been initiated against her and intimated SEBI about the same vide e-mail dated February 12, 2021. Upon verification, receipt of the above payments was confirmed.
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 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the defaults as mentioned in paragraph 1 be settled *qua* the applicant and as per the following terms:
 - iii. SEBI shall not initiate enforcement action against the applicant for the said defaults;
 - iv. this order disposes of the proceedings that may be initiated for the said defaults as mentioned above, in respect of the applicant; and

- v. passing of this order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations 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 found to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - c. there was a discrepancy while arriving at the settlement terms.
- 8. This settlement order is passed on this 24th day of February, 2021 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 also be published on the website of SEBI.

Sd/-
S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-
ANANTA BARUA
WHOLE TIME MEMBER