

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

On the Application submitted by

Adani Properties Pvt. Ltd.

In the matter of Sealord Containers Limited

CO/CFD/1114/AO/VSS/171/2009

1. An open offer was made by M/s Aegis Logistics Ltd. ("**Acquirer**") to the shareholders of M/s Sealord Containers Limited ("**Target Company/SCL**") through a public announcement dated March 06, 2006 for acquisition upto 2,50,000 fully paid up equity shares representing 20% of paid –up equity share capital of SCL. It was observed from the submissions of the Anand Rathi Securities Pvt. Ltd., Manager to the offer, that on December 12, 1996 target Company had issued 1,20,000 - 12% optionally convertible redeemable preference shares of Rs.100/- each to Adani Properties Pvt. Ltd. (hereinafter referred to as "**Noticee**"). It was observed that no dividend was paid to the Noticee and with the result, voting rights were accrued on these preference shares in the meeting held on September 07, 1999. With the acquisition of the aforesaid 1,20,00,000 (45.28%) shares/voting rights, the Noticee's voting rights increased from 50% to 95.28% and consequently, it was required to make a public announcement in compliance with the provisions of regulation 11(1) read with regulation 14(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "**SAST**"). Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge the alleged violation of the provisions of regulation 11(1) read with regulation 14(1) of SAST under sections 15H (ii) read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, a Show Cause Notice No.EAD-5/VSS/SS/126600/2008 dated May 26, 2008 was issued under rule 4 of SEBI

(Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

2. While the Adjudication Proceedings were in progress, the Noticee made an application dated November 25, 2008 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid notice before SEBI. Subsequently, the Noticee vide letter dated August 22, 2009 proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs.3,00,000/- (Rupees three lakh only) towards settlement charges and legal charges in the matter. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on September 15, 2009. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on payment of Rs.3,00,000/- (Rupees three Lakh only) towards settlement charges in the matter.
3. SEBI vide letter dated October 09, 2009 communicated to the Noticee its acceptance of the consent terms proposed by the Noticee. Accordingly, the Noticee has remitted a sum of Rs.3,00,000/- (Rupees three Lakh only), vide Demand Draft No.102159 dated October 14, 2009 drawn on Axis Bank Ltd., Ahmedabad, Gujarat, towards the terms of consent in the matter.
4. In view of above, it is hereby ordered that,
 - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992 and

- ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
5. This consent order is passed on October 28, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer