

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

**SETTLEMENT ORDER**  
(Application No. 3087/ 2016)

On the application submitted by  
**Emmpac Holdings Private Limited**  
**Settlement Order No: CO/SBM/EAD-3/08/2017**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated April 26, 2013 initiated adjudication proceedings against Emmpac Holdings Private Limited (hereinafter referred to as '**Applicant/EHPL**') and appointed Shri D. Ravikumar as the Adjudicating Officer to inquire into and adjudge under Section 15A(b) and Section 15H(ii) of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') the violation of the provisions of Regulation 7(1A) read with Regulation 7(2) and Regulation 11(1) read with Regulation 14(1) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (hereinafter referred to as '**SAST Regulations**'), alleged to have been committed by the applicant, in respect of its change in shareholding in Emmsons International Limited (hereinafter referred to as '**EIL**') during the calendar year 2005 and 2006 (hereinafter referred to as '**Relevant Period**'). Pursuant to the transfer of Shri D. Ravikumar, I was appointed as the Adjudicating Officer in the matter vide communiqué dated June 22, 2015.
2. In this regard, a Show Cause Notice ref. A&E/EAD-3/SBM-VB/19323/2015 dated July 09, 2015 (hereinafter referred to as '**SCN**') was issued to the applicant. It was observed that the applicant was part of the promoter group of EIL during the relevant period. It is alleged in the SCN that the shareholding of the promoters/promoter group of EIL had increased by 7.66% pursuant to the forfeiture of 7,89,100 equity shares of EIL on August

23, 2005. The said increase in the shareholding of the promoters/promoter group of EIL (including the change in shareholding of the applicant) , *prima-facie*, triggered the creeping acquisition limit prescribed under the provisions of Regulation 11(1) of the SAST Regulations. It is alleged in the SCN that the applicant along with other promoters of EIL had failed to make the necessary public announcement pertaining to the aforementioned change in the shareholding of the promoters/promoter group, within the prescribed time frame, as specified under Regulation 11(1) read with Regulation 14(1) of the SAST Regulations. Therefore, it was alleged that the applicant has violated the provisions of the SAST Regulations, as mentioned above.

3. It is further observed in the SCN that the applicant had allegedly acquired 1,28,680 shares of EIL during the period between June 13, 2006 to March 02, 2007, which resulted in an increase in its shareholding in EIL by 2.82%. It is alleged that the applicant had failed to make the necessary disclosure pertaining to the aforesaid change in its shareholding in EIL within the prescribed time frame as required under Regulation 7(1A) read with Regulation 7(2) of the SAST Regulations. As the said disclosures were made by the applicant after a delay of 1962 days, it is alleged that the applicant had violated the aforementioned provisions of the SAST Regulations.
4. Pending Adjudication Proceedings, the applicant filed a Consent Application no. 3087/2016 and the same was received by SEBI on September 28, 2015 along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as "**Settlement Regulations**"). The said application was filed by the applicant only w.r.t its alleged violation of the provisions of Regulation 7(1A) read with Regulation 7(2) of the SAST Regulations. In its letter dated December 08, 2015, the applicant had specifically informed SEBI that the consent application is filed by it only for the alleged violation of Regulation 7(1A) read with Regulation 7(2) of the SAST Regulations and not for the

alleged violation of Regulation 11(1) read with Regulation 14(1) of the SAST Regulations as the matter regarding the alleged violation of Regulation 11(1) read with Regulation 14(1) of the SAST Regulations is sub-judice and pending before Hon'ble Securities Appellate Tribunal in Appeal no. 329 of 2015 in re: Anil Monga vs Ors. Vs. SEBI.

5. Pursuant to the above mentioned Consent Application filed by the applicant, the Authorized Representative of the applicant, attended a meeting with the Internal Committee on Consent (hereinafter referred to as '**IC**') on July 31, 2017. During the aforesaid meeting, the settlement term of Rs. 2,00,000/- (Rupees Two Lakh Only) as settlement amount towards the alleged violation of the provisions of Regulation 7(1A) read with Regulation 7(2) of the SAST Regulations, was communicated to the authorised representative of the applicant. The applicant vide its letter dated July 31, 2017 proposed the payment of Rs. 2,00,000/- (Rupees Two Lakh Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on its part.
6. The settlement terms were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on August 09, 2017, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the applicant and other material made available before the HPAC by SEBI. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of Rs. 2,00,000/- (Rupees Two Lakh Only) towards the settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on October 10, 2017 and the same was communicated to the applicant vide email dated October 12, 2017.

7. The applicant, vide its letter dated November 10, 2017, has remitted a sum of Rs. 2,00,000/- (Rupees Two Lakh Only) towards the settlement charges through Demand Draft No. 000217 dated November 10, 2017 drawn on HDFC Bank Ltd.
8. In view of the above, in terms of Regulation 15 (1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the applicant viz. Emmpac Holdings Private Limited for its violation of the provisions of Regulation 7(1A) read with Regulation 7(2) of the SAST Regulations vide SCN ref. A&E/EAD-3/SBM-VB/19323/2015 dated July 09, 2015.
9. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if :
  - a. any representations made by the applicant in the settlement proceedings is subsequently found to be untrue; or
  - b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
10. This settlement order is passed on the **18th day of December, 2017** and shall come into force with immediate effect.
11. In terms of Regulation 17 of the Settlement Regulations, 2014, copies of this order are being sent to the applicant viz. Emmpac Holdings Private Limited and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date : December 18, 2017**

**SURESH B. MENON**  
**ADJUDICATING OFFICER**