

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SUMMARY SETTLEMENT ORDER

On Summary Settlement Application No. SS – 26 of 2020

filed by Mr. Hem Chand Jain [PAN : AAUPJ7023J]

in the matter of Gini Silk Mills Limited

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had conducted an investigation in the matter of Gini Silk Mills Limited (hereinafter referred to as 'the Company'). During the investigation, it was observed that, Mr. Hem Chand Jain (hereinafter referred to as the 'applicant') had delayed making disclosures as required under Regulation 29(1) 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'), in respect of the change in his shareholding in the Company.
2. During the period from June 26, 2015 to June 29, 2015, the applicant had bought 2,89,722 shares of the Company, which is 5.18% of the total shares of the Company. As per Regulation 29(1) of the SAST Regulations, the applicant was required to file a disclosure for the above mentioned transactions by July 03, 2015. Further, the applicant bought additional 2,00,000 shares of the Company on July 01, 2015, which were required to be disclosed by July 06, 2015 under Regulation 29(2) of the SAST Regulations. The aforesaid disclosures were made on July 22, 2015.
3. Before proceeding further and initiating proceedings under Section 15A(b) of the SEBI Act, 1992, a 'Notice of Summary Settlement' dated December 12, 2019 (hereinafter referred to as 'notice'), and a subsequent revised summary settlement notice dated January 30, 2020, was issued to the applicant, intimating thereby that the aforesaid proceedings (to be initiated), may

be settled and disposed of upon filing of a settlement application under Chapter-II of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as ‘Settlement Regulations’) along with remittance of settlement amount of Rs. 6,88,188/- (Rupees Six Lakh Eighty-Eight Thousand One Hundred and Eighty-Eight only) to SEBI in terms of Chapter VII of the Settlement Regulations, within 30 calendar days from the date of receipt of the notice.

4. In reply, the applicant has filed an application for settlement, which was received by SEBI on January 13, 2020, in terms of Chapter VII of the Settlement Regulations, without admitting or denying the findings of fact and conclusions of law, proposing to settle the defaults as discussed in para 1 above, through a settlement order. The applicant along with the said letter, remitted a sum of Rs. 6,88,188/- (Rupees Six Lakh Eighty-Eight Thousand One Hundred and Eighty-Eight only) towards the settlement charges, vide Demand Draft of Rs. 6,70,000/- bearing No. 059844 dated January 10, 2020, Demand Draft of Rs. 313/- bearing No. 059851 dated January 10, 2020 and NEFT of Rs. 17,875/- vide UTR No. N032201051703998 dated February 01, 2020.
5. 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 proposed proceedings that could have been initiated for the defaults as discussed in paragraph 1 above are settled *qua* the applicant as per the following terms;
 - i. SEBI shall not initiate any enforcement action against the applicant for the said defaults;
 - ii. this order disposes of the proceedings that may be initiated for the defaults as mentioned above, in respect of the applicant; and
 - iii. 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 found to be untrue;

b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

6. This settlement order is passed on this 14th day of February, 2020 and shall come into force with immediate effect.
7. 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