

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

CONSENT ORDER NO: EAD-5/ASK/01/2013

on the application submitted by

RUPEE FINANCE & MANAGEMENT PRIVATE LIMITED.
(PAN:AABCR9194C)

in the matter of

ESSEL PROPACK LIMITED

1. The acquirer promoters/Persons Acting in Concert (PACs) of Essel Propack Limited (**Essel**) including Rupee Finance and Management Private Limited (**Noticee**) had filed a report dated June 16, 2010 under Regulation 3(4) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**SAST Regulations**) claiming non-applicability of Chapter III under Regulation 3 (1)(e) of the SAST Regulations. On examination of the said report, it has been observed that there was an inter-se transfer of shares among promoters i.e., from M/s. Prajatma Trading Company Pvt. Ltd. (**Prajatma**), and associated promoter entities to the acquirer promoters/PACs including the Noticee under Regulation 3(1)(e)(iii)(b) of the SAST Regulations. Prajatma transferred 2,84,78,840 shares (18.19%) of Essel, to the acquirer promoters/PACs including the Noticee, after which the shareholding of the acquirer promoters/PACs increased to 4,71,11,165 shares

(30.08%) from 1,86,32,325 shares (11.9%) during the period from April 30, 2010 to May 31, 2010.

2. As per Regulation 3 (3) of the SAST Regulations, in cases of acquisition exceeding 5% of the voting share capital of a company made under Regulation 3 (1) (e), the acquirer was required to notify the details of the proposed acquisition to the stock exchanges where the shares of the target company were listed, at least 4 working days in advance of the proposed acquisition. The acquisition by the promoters/PACs including the Noticee having exceeded 5% limit on April 30, 2010 vide two transactions in which 40,28,380 shares (2.57%) and 95,69,215 shares (6.11%) were acquired, the Noticee was required to comply with the above provision, which the Noticee had failed to do. Further, as per the e-mail dated December 30, 2011 received from the BSE, there were no details of disclosures under regulation 3 (3) of the SAST Regulations submitted by the promoters/PACs including the Noticee for the acquisition of 18.19% shares of the scrip of Essel. As per Regulation 3 (4) read with Regulation 3 (5) of the SAST Regulations, the said report was to be filed with SEBI within 21 days of the date of acquisition (viz., April 30, 2010) along with a fee of ₹ 25,000/-. Therefore, the report should have been filed by May 21, 2010 since the transaction trigger date is April 30, 2010. However, promoters/PACs including the Noticee had filed the said report on June 16, 2010 with a delay of 27 days. In view of the aforesaid, it was alleged that the promoters/PACs including the Noticee had failed to comply with the provisions of Regulations 3 (3) and 3 (4) of the SAST Regulations.

3. Shri Piyoosh Gupta was appointed as the Adjudicating Officer vide Order February 9, 2012 to inquire into and adjudicate the alleged violation committed by the Noticee. Accordingly, a Show Cause Notice dated March 14, 2012 was issued to the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee. Consequent upon the transfer of Shri Piyoosh Gupta, erstwhile Adjudicating Officer, the undersigned has been appointed as the Adjudicating Officer in the matter.
4. While the Adjudication Proceedings were in progress, an application dated July 24, 2012 for Consent Order in respect of the aforesaid proceedings before Adjudication Officer, was submitted by the Noticee along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 further amended Circular No. CIR/EFD/1/2012 dated May 25, 2012. The Noticee, vide letter dated September 04, 2013, proposed ₹ 4,25,000/- (Four Lakh Twenty Five Thousand only) as revised consent terms.
5. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) in its meeting held on September 25, 2013. HPAC after deliberation recommended the case for settlement on payment of ₹ 4,25,000/- (Four Lakh Twenty Five Thousand only) towards settlement charges. Thereafter, SEBI vide letter dated November 22, 2013 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in- principle agreed to accept the terms of the consent proposed by the Noticee subject to the clauses of Undertakings / Waivers mentioned in the consent

application and advised the Noticee to pay in accordance with the revised consent terms.

6. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of ₹ 4,25,000/-(Four Lakh Twenty Five Thousand only) favoring Securities and Exchange Board of India vide Draft No. 023889 dated December 02, 2013 drawn on ICICI Bank Limited towards the terms of consent in the matter.

7. In view of the above, it is hereby ordered that:

- i) this Consent Order disposes of the said Adjudication Proceeding initiated against the Noticee, Rupee Finance and Management Private Limited vide SCN dated March 14, 2012;
- 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 representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

8. This Consent Order is passed on the 17th day of December, 2013, and shall come into force with immediate effect.
9. In terms of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and to Securities and Exchange Board of India.

Place: Mumbai
Date: December 17, 2013

A Sunil Kumar
Adjudicating Officer