

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

On the Application submitted by

Ms. Chhaya Patel
(PAN:AGDPP6349N)

CO/IVD-ID6/2071-2010/AO/SRP/DL /167 /2011

1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against Ms. Chhaya Patel (hereinafter referred to as '**Noticee**') to inquire into and adjudge under section 15 G (i) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), the alleged violation/contravention of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**') by the Noticee into the buying, selling and dealings in the shares of Sterling Biotech Limited (hereinafter referred to as '**SBL**').
2. During the investigations, it was observed that SBL had made certain price sensitive corporate announcements. It was alleged that the Noticee bought shares of SBL just before the said corporate announcements and thereafter, sold those immediately after the announcements. The KYC form of the Noticee with Indiabulls Securities Limited allegedly indicate that her address was same as that of the Company and even her e-mail ID was stated to be chhayapatel@stergel.com. The domain name www.stergel.com allegedly revealed her linkage to the Sterling Group. Therefore, it was alleged that the Noticee was either an employee of the Company or was associated with the Company during the relevant period and based on the insider information she executed trades and purchased 50, 000 shares (Avg. price ₹ 150.00) one day prior to September 09, 2005 when the Company made several

corporate announcements and sold the said shares (Avg. price ₹ 169.11) on the day of the corporate announcements and allegedly made a profit of ₹ 9, 55,500/-. In view of the aforesaid, it was alleged that the Noticee has violated the provisions of regulation 3 (i) of PIT Regulations.

3. The undersigned was appointed as Adjudicating Officer (**AO**) under section 15 I of the SEBI Act to inquire into and adjudge under Sections 15 G (i) of the SEBI Act for the aforesaid alleged violations. Consequently, Show Cause Notice No. EAD-1/SRP/DT/195060/2010 dated February 16, 2010, was issued to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**the Rules**”).
4. While the adjudication proceedings were in progress, the Noticee made an application dated July 23, 2010 along with an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for settlement of the proceedings through Consent Order. Subsequently, the Noticee proposed revised consent terms vide letter dated October 27, 2010, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that she is willing to pay a sum of ₹ 28,70,000/- (Rupees twenty eight lakh seventy thousand only) towards settlement charges in the matter.
5. The revised consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) on November 19, 2010 and HPAC after deliberation recommended the case for settlement on the aforesaid revised consent terms proposed by the Noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.

6. The acceptance of consent proposal was communicated to the Noticee by SEBI vide letter dated December 23, 2010. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of ₹ 28,70,000/- (Rupees twenty eight lakh seventy thousand only)), vide demand draft No. 421049 dated January 10, 2011 drawn on UCO Bank , Mumbai towards the terms of consent in the matter.
7. In view of above, it is hereby ordered that:
- i) this consent order disposes of the said proceedings pending against the Noticee under SEBI Act
 - ii) passing of this order is without prejudice to the rights 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.
8. This consent order is passed on the 14th day of January 2011 and shall come into force with immediate effect.

SATYA RANJAN PRASAD
ADJUDICATING OFFICER