

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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SETTLEMENT ORDER

On Application No. 3372 of 2017

**Filed by Mr. Prahlad Kumar Jhunjhunwala (PAN No. ACQPJ9960N)  
in the matter of Kwaliti Credit and Leasing Limited**

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1. Mr. Prahlad Kumar Jhunjhunwala (hereinafter referred to as the 'applicant') had filed an application dated August 14, 2017 in the matter of Kwaliti Credit and Leasing Limited in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as 'Settlement Regulations'), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the proposed adjudication proceedings. The said proposed adjudication proceedings intimated vide Notice of approved enforcement action dated June 27, 2017 for the alleged violation of the disclosure requirements under Regulation 13(4A) read with 13(5) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the 'PIT Regulations'). The applicant had transacted in shares of Kwaliti Credit and Leasing Limited at various intervals/time periods and had breached the prescribed threshold limits as prescribed in the PIT Regulations. However, the applicant had failed to make the requisite disclosures within the stipulated time and the disclosures were made subsequently.
2. Pursuant to the applications, the authorized representatives of the applicant had a meeting with the Internal Committee of SEBI on September 17, 2018 wherein the settlement terms were deliberated. Thereafter, the applicant, vide letter dated September 24, 2018, proposed the revised settlement terms to settle the default mentioned above.
3. The High Powered Advisory Committee ('HPAC') in its meeting held on October 08, 2018 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹ 2,38,219/- (Rupees Two Lakh Thirty Eight Thousand Two Hundred Nineteen only) by the applicant towards settlement charges for the

aforementioned default. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated November 27, 2018.

4. The applicant vide Demand Draft No. 896922 dated December 06, 2018 drawn on Tamilnad Mercantile Bank Limited has remitted ₹ 2,38,219/- (Rupees Two Lakh Thirty Eight Thousand Two Hundred Nineteen only) towards the settlement charges.
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 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that:
  - i. the proposed adjudication proceedings for the alleged default as discussed in paragraph 1 above, are settled *qua* the applicant as per the above terms,
  - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
  - iii. this order disposes of the said proposed adjudication proceedings in respect of the applicant as mentioned above and;
  - iv. 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 discovered to be untrue;
    - b. the applicant have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
6. This settlement order is passed on this 23<sup>rd</sup> day of January, 2019 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 shall also be published on the website of SEBI.

**S. K. MOHANTY**  
**WHOLE TIME MEMBER**

**ANANTA BARUA**  
**WHOLE TIME MEMBER**