

## BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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**SETTLEMENT ORDER**

On Application No.3837/2019 and 3924/2019

filed by **Mr. R. Sridhar (PAN APYPS3033G)**in the matter of **Sabero Organics Limited**

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1. Mr. R. Sridhar (hereinafter referred to as “applicant”) filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as ‘Settlement Regulations’) proposing to settle, without admitting the findings of fact and conclusions of law, through a settlement order, the pending enforcement proceedings initiated vide Show Cause Notice dated May 25, 2018 under Sections 11B of the SEBI Act, 1992 and pending Adjudication proceedings initiated vide Show Cause Notice dated November 06, 2018 for the alleged violation of Regulations 3(i) and 4 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as “PIT Regulations”) read with Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Section 12A(d) and (e) of the SEBI Act, 1992.
2. SEBI carried out an investigation into the suspected insider trading activity in the scrip of Sabero Organics Limited (hereinafter referred to as “Sabero”) during the period May 15, 2011 to June 15, 2011. It was observed during the investigation that the representatives of Sabero and Coromandel International Limited (hereinafter referred to as “Coromandel”) attended a meeting on May 15, 2011 to discuss and negotiate the acquisition of Sabero by Coromandel. On May 31, 2011 Coromandel informed the concerned Stock Exchanges about the aforesaid acquisition. The information relating to aforesaid acquisition was deemed Price Sensitive Information and accordingly, the period of Unpublished Price Sensitive Information (hereinafter referred to as “UPSI”) was from May 15, 2011 to May 30, 2011. The applicant had traded in the scrip of Sabero during the UPSI period and made profit of 12, 83,604/- (Rupees Twelve Lakh Eighty Three Thousand Six Hundred and Four only).
3. Pursuant to the application, the applicant had a meeting with Internal Committee on September 26, 2019, wherein the settlement terms were deliberated. Thereafter, the applicant, vide email dated September 26, 2019, proposed the revised settlement terms to

settle the defaults mentioned above.

4. The High Powered Advisory Committee ('HPAC') in its meeting held on November 21, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹33,46,875/- (Rupees Thirty Three Lakh Forty Six Thousand Eight Hundred Seventy Five only) along with disgorgement of ₹12,83,604/- (Rupees Twelve Lakh Eighty Three Thousand Six Hundred and Four only) and interest thereupon of ₹12,85,854/- ( Rupees Twelve Lakh Eighty Five Thousand Eight Hundred Fifty Four Only) by the applicant towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC on December 10, 2019, and the same was communicated to the applicant vide e-mail dated December 10, 2019.
5. The applicant remitted the aforesaid settlement amount of ₹33,46,875/- (Rupees Thirty Three Lakh Forty Six Thousand Eight Hundred Seventy Five only) by way of NEFT on December 14, 2019 along with disgorgement of ₹12,83,604/- (Rupees Twelve Lakh Eighty Three Thousand Six Hundred and Four only) and interest thereupon of ₹12,85,854/- (Rupees Twelve Lakh Eighty Five Thousand Eight Hundred Fifty Four Only) by way of NEFT on December 15, 2019 towards the settlement amount.
6. 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 enforcement 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 alleged defaults;
  - iii. this order disposes of the enforcement 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 has breached any of the clauses/ conditions of undertakings/

waivers filed during the present settlement proceedings.

7. This settlement order is passed on this 7<sup>th</sup> day of January, 2020 and shall come into force with immediate effect.
8. 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.

Sd/-

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

Sd/-

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