

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**  
(Application No. 3296/2017)

On the application submitted by

**Mr. G. V. Subba Reddy**

**Settlement Order No: CO/SBM/EAD-3/ 7 /2017**

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1. Pursuant to an investigation conducted by SEBI into the trading and dealings in the scrip of Coromandel International Limited (hereinafter referred to as '**Company or CIL**') during the period May 01, 2015 to December 31, 2015, SEBI, vide communique dated February 27, 2017, initiated adjudication proceedings against Mr G. V. Subba Reddy (hereinafter referred to as '**the applicant**') to inquire into and adjudge in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') for the violation of the provisions of regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations**') alleged to have been committed by the applicant.
2. A Show Cause Notice ref. SEBI/HO/EAD-3/5022/2017 dated March 07, 2017 (hereinafter referred to as '**SCN**') was issued to the applicant. It was alleged in the SCN that the applicant had failed to make the necessary disclosure required under the provisions of regulation 7(2)(a) of the PIT Regulations w.r.t his sale of 9,400 shares of CIL on August 19, 2015 to the Company within two trading days of the sale of the said shares.

3. It was observed that the applicant had made the relevant disclosure to the Company w.r.t the transaction involving his sale of 9400 shares of CIL on September 07, 2015 and the Company had in turn intimated the same to the Stock Exchanges viz Bombay Stock Exchange ( BSE) and National Stock Exchange ( NSE) on September 08, 2015. It is observed that the total traded value of the 9,400 shares of CIL sold by the applicant was approximately Rs 20,49,200 and therefore, in terms of Regulation 7(2) (a) of the PIT Regulations, the applicant was under an obligation to make the necessary disclosures to the Company within two trading days from the date of sale i.e two days from August 19, 2015. In view of the alleged failure on part of the Noticee to make the necessary disclosures to the Company within the stipulated time period, it was alleged that the applicant had violated the provisions of Regulation 7(2)(a) of the PIT Regulations.
4. Pending Adjudication Proceedings, the applicant submitted a Consent Application no. 3296/2017, which was received by SEBI on April 19, 2017 along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3(1) and 3(2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as "**Settlement Regulations**").
5. Pursuant to the above mentioned Consent Application made by the applicant, the applicant also attended a meeting with the Internal Committee on Consent (hereinafter referred to as '**IC**') on July 31, 2017. During the aforesaid meeting, the settlement terms of Rs. 2,00,000/- (Rupees Two Lakh Only) calculated as per the Settlement Regulations were communicated to the applicant. The applicant vide letter dated July 31,2017 proposed a payment of Rs. 2,00,000/- (Rupees Two Lakh Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the applicant.

6. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on August 09, 2017. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the materials made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of Rs. 2,00,000/- (Rupees Two Lakh Only) towards the settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on October 05, 2017 and the same was communicated to the applicant vide email dated October 11, 2017.
7. The applicant vide letter dated October 20, 2017 has remitted a sum of Rs. 2,00,000/- (Rupees Two Lakh Only) towards the settlement charges through Demand Draft No. 508179 dated October 18, 2017 drawn on ICICI Bank.
8. In view of the above, in terms of Regulation 15(1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the applicant viz. Mr. G. V. Subba Reddy vide SCN ref. SEBI/HO/EAD-3/5022/2017 dated March 07, 2017.
9. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if :
  - a. any representations made by the applicant in the settlement proceedings is subsequently found to be untrue; or
  - b. the applicant breaches any of the clauses /conditions of undertakings/ waivers filed during the current settlement proceedings.
10. This settlement order is passed on the **3rd day of November, 2017** and shall come into force with immediate effect.

11. In terms of Regulation 17 of the Settlement Regulations, 2014, copies of this order are being sent to the applicant viz. Mr. G. V. Subba Reddy and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date: November 03, 2017**

**SURESH B. MENON**  
**ADJUDICATING OFFICER**