

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**  
(Application No. 2824/ 2014)

On the application submitted by

**Mr. Anil K. Agarwal**

**{PAN: AAEP A0225F}**

**Settlement Order No: ISD/PGCIL/AO/SBM-ASR/EAD-3/CO-04/2015**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide communiqué dated October 08, 2013 initiated adjudication proceedings against Mr. Anil K. Agarwal (hereinafter referred to as '**the applicant**') to inquire into and adjudge under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') the violation of the provisions of Regulation 13(4) read with Regulation 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**') and Clause 3.3.1 of the Model Code of Conduct for Prevention of Insider Trading for Listed Companies contained in Schedule I read with Regulation 12(1) of PIT Regulations alleged to have been committed by the applicant in the matter of his dealings in the shares of Power Grid Corporation of India Ltd ( hereinafter referred to as "**PGCIL**" or **Company** ) during the period from 2007 to 2010.
2. In this regard, a Show Cause Notice ref. EAD-3/DRK/JP/26694/2013 dated October 21, 2013 (hereinafter referred to as '**SCN**') was issued to the applicant. It was alleged in the SCN that the applicant purchased / sold shares of PGCIL on 20/12/2007, 12/2/2008, 13/3/2008, 14/10/2008, 20/5/2009, 16/7/2009 and 25/2/2010 i.e. on 7 days during the period from

2007 to 2010 and the transacted value of these shares was either more than Rs. 5,00,000 or the quantity of shares traded was more than 25,000 shares. It was alleged that the applicant had failed to make the relevant disclosure regarding change in shareholding to the Company and to the concerned Stock Exchange, which was required to be made under the provisions of Regulation 13 (4) read with Regulation 13 (5) of the PIT Regulations. Further, it was also alleged in the SCN that the applicant failed to obtain the pre-clearance of his trades from the Company before dealing in the aforesaid shares as per the pre-dealing procedure followed by the Company, which is prescribed under Clause 3.3.1 of the Model Code of Conduct for Prevention of Insider Trading for Listed Companies contained in Schedule I read with Regulation 12(1) of the PIT Regulations. Hence, in view of the above, it was alleged in the SCN that the applicant has violated the provisions of Regulation 13 (4) read with Regulation 13 (5) of the PIT Regulations and also Clause 3.3.1 of the Model Code of Conduct for Prevention of Insider Trading for Listed Companies contained in Schedule 1 of Regulation 12 (1) of the PIT Regulations. The applicant vide letter dated November 7, 2013 also submitted his reply to the SCN.

3. Pending Adjudication Proceedings, the applicant submitted a Consent Application no. 2824/2014, which was received by SEBI on December 23, 2013 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 2014**").
4. Consequent to the transfer of Shri D Ravikumar, the Competent Authority has appointed the undersigned as Adjudicating Officer on June 22, 2015 to dispose of the current Settlement Proceedings.
5. Pursuant to the said Consent Application, the applicant and his Authorized Representative, Shri Jaikishan Udhavdas Lakhwani, Advocate attended a meeting with the Internal Committee on Consent (hereinafter referred to

- as '**IC**') on June 02, 2014. During the aforesaid meeting, the settlement terms of Rs. 28,49,625/- (Rupees Twenty Eight Lakh Forty Nine Thousand Six Hundred and Twenty Five Only) calculated as per the Settlement Regulations were communicated to the applicant. The applicant vide email dated June 09, 2014 informed SEBI that he would like to offer monetary and non-monetary terms for settlement of consent application and requested for another opportunity of hearing before IC. Subsequently, the applicant appeared before IC on September 26, 2014 and offered revised settlement terms vide letter dated October 01, 2014.
6. The revised settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on June 12, 2015, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the applicant and other material brought before the Committee by SEBI. The HPAC, after considering the facts and circumstances of the case, revised settlement terms offered by the applicant and also the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings against the applicant may be settled on payment of Rs 23,29,625/- (Rupees Twenty Three Lakh Twenty Nine Thousand Six Hundred and Twenty Five only) towards the settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on August 11, 2015 and the same was communicated to the applicant vide letter dated August 20, 2015.
  7. Accordingly, the applicant vide letter dated September 01, 2015 has remitted a sum of Rs 23,29,625/- (Rupees Twenty Three Lakh Twenty Nine Thousand Six Hundred and Twenty Five only) towards the settlement charges through Demand Draft No. 009702 dated September 01, 2015 drawn on HDFC 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 Shri Anil K. Agarwal vide SCN ref. EAD-3/DRK/JP/26694/2013 dated 21<sup>st</sup> October 2013.

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 **18th day of September, 2015** 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 Mr. Anil K. Agarwal having his address at 1, Aradhana Colony, Sec 13, R.K. Puram. Ring Road, New Delhi - 110066, and also to the Securities and Exchange Board of India.

**Place: Chennai**  
**Date: 18.09.2015**

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