

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CO/ISD/1191/AO/PKB/ EAD-4/105/2009

Under section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

In respect of
M/s. Karuturi Global Ltd.
PAN No. AAACK8275A

1. Bombay Stock Exchange (hereinafter referred to as "BSE") conducted a snap investigation in the scrip of the M/s. Karuturi Global Ltd. (hereinafter referred to as "Noticee") during the period from October 23, 2006 to November 22, 2006 (hereinafter referred to as "Investigation period").
2. On analysis during the Investigation Period by BSE, it was observed that Rhea Holdings Pvt. Ltd., a promoter of the Noticee had sold 5,40,000 shares of the Noticee around the date of declaration of results for the September 2006 quarter.
3. Further, it was observed that no disclosures as required under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "Takeover Regulations") and SEBI Prohibition of Insider Trading Regulations, 1992 (hereinafter referred to as "PIT Regulations") had been filed by the Noticee with respect to the aforesaid sale.
4. Subsequently, the matter was examined by SEBI and Adjudication Proceedings were initiated in respect of the Noticee. Shri D. S. Reddy was appointed as the Adjudicating Officer vide order dated October 22, 2008 and pursuant to his transfer, the undersigned has been appointed as the Adjudicating Officer vide order dated December 22, 2008 to inquire into

Consent Order in respect of M/s. Karuturi Global Ltd.

and adjudge under section 15A(b) of the SEBI Act, 1992 the alleged violation of Regulation 13(6) of PIT Regulations and Regulation 7(3) of the Takeover Regulations.

5. Show Cause Notice dated January 12, 2009 was issued to the Noticee. Pending the adjudication proceedings, the Noticee made an application dated January 30, 2009 and an affidavit in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Pursuant to the said application, the Noticee vide letter dated March 6, 2009 proposed revised consent terms submitting that it was willing to pay Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) towards settlement terms and Rs. 25,000/- (Rupees Twenty Five Thousand Only) towards administrative expenses.
6. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") on May 22, 2009 and HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the Noticee. Thereafter, SEBI vide letter dated June 26, 2009 conveyed to the Noticee that SEBI has in principle agreed to accept the terms of the consent, subject to the clauses of Undertakings /Waivers made in the consent application and advised the Noticee to pay in accordance with the revised consent terms.
7. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a consolidated sum of Rs. 2,00,000/- (Rupees Two Lakh only) favouring Securities and Exchange Board of India vide Demand Draft No. 013010 dated June 30, 2009 drawn on Axis Bank Ltd., Service Branch Mumbai towards the terms of consent in the matter.
8. In view of the above, it is hereby ordered that:
 - i) this consent order disposes of the said adjudication proceedings pending against the Noticee under SEBI Act, 1992 and

- ii) passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
- 9. This consent order is passed on the 8th day of September, 2009 and shall come into force with immediate effect.
- 10. In terms of Rule 6 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are sent to Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai

**P. K. BINDLISH
ADJUDICATING OFFICER**