

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

**On Application No. 3880/2019 Filed by Mr. Kailash Pratap Mariwala [PAN:AABPM1197M]
in the matter of M/s. Sabero Organics Limited**

1. Mr. Kailash Pratap Mariwala (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 PIT 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 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 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 ₹31,57,753/-.
3. The applicant had a meeting with Internal Committee on June 17, 2019, wherein the settlement terms were deliberated. Thereafter, the applicant, vide letter dated June 25, 2019, proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee (HPAC) in its meeting held on July 30, 2019

considered the settlement terms proposed and recommended the case for settlement upon payment of ₹70,45,738/- (Rupees Seventy Lakh Forty Five Thousand Seven Hundred Thirty Eight only) along with disgorgement of ₹31,57,753(Rupees Thirty One Lakh Fifty Seven Thousand Seven Hundred Fifty Three only) with interest thereupon of ₹30,72,967 (Rupees Thirty Lakh Seventy Two Thousand Nine Hundred Sixty Seven Only) by the applicants towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC on August 22, 2019, and the same was communicated to the applicants vide e-mail dated August 28, 2019.

5. The applicant remitted the aforesaid settlement amount of ₹70,45,738/- (Rupees Seventy Lakh Forty Five Thousand Seven Hundred Thirty Eight only) along with disgorgement of ₹31,57,753(Rupees Thirty One Lakh Fifty Seven Thousand Seven Hundred Fifty Three only) with interest thereupon of ₹30,72,967 (Rupees Thirty Lakh Seventy Two Thousand Nine Hundred Sixty Seven Only) by way of RTGS on September 09,2019, and September 11, 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 27th day of September, 2019 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