

## BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

## SETTLEMENT ORDER

On the Application No. 3197 of 2016

Submitted by i) Sun Pharmaceutical Industries Ltd. ii) Mr. Israel Makov, iii) Mr. Dilip S Shanghvi, iv) Mr. Sudhir V Valia, v) Mr. Sailesh T Desai, vi) Mr. Sunil Ajmera, vii) Mr. Tsutomu Une, viii) Mr. Arun Swahney, ix) Mr. Kazunori Hirokawa, x) Mr. Takashi Shoda, xi) Mr. S.K. Patawari in the matter of Sun Pharmaceutical Industries Limited.

1. (i). M/s. Sun Pharmaceutical Industries Limited ('Company'), (ii). Mr. Israel Makov, (iii). Mr. Dilip S Shanghvi, (iv). Mr. Sudhir V Valia, (v). Mr. Sailesh T Desai, (vi). Mr. Sunil Ajmera, (vii). Mr. Tsutomu Une, (viii). Mr. Arun Swahney, (ix). Mr. Kazunori Hirokawa, (x). Mr. Takashi Shoda, (xi). Mr. S.K. Patawari (hereinafter referred to as 'applicants') having address at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai – 400 063 filed an application dated December 01, 2016, in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ('Settlement Regulations'), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the proposed adjudication proceedings intimated vide Notice of Approved Enforcement Action dated July 11, 2016 for violation of the Internal Code of Conduct for prevention of Insider Trading framed by the company in terms of regulation 12(2) read with 12(1) the SEBI (Prohibition of Insider Trading) Regulations, 1992 ('PIT Regulations').
2. The authorised representatives of the applicants had meetings with the Internal Committee of SEBI on January 05, 2017, January 12, 2017 and May 19, 2017, wherein the settlement terms were deliberated. Thereafter, the applicants vide letter dated May 23, 2017, proposed the revised settlement terms to settle the violation mentioned in para 1 above.
3. The High Powered Advisory Committee ('HPAC'), in its meeting dated May 29, 2017, considered the settlement terms proposed by the applicants and recommended the case for settlement upon payment of ₹ 18,00,000/- (Rupees Eighteen Lakh Only) by the applicants towards settlement terms for the aforementioned violation. The Panel of Whole Time Members of SEBI had accepted the said recommendations of the HPAC and the same was communicated to the applicants vide e-mail dated July 14, 2017.

4. The applicants vide Demand Draft no. 119646 dated July 19, 2017, drawn on ICICI Bank, payable at Mumbai has remitted a sum of ₹ 18,00,000/- (Rupees Eighteen Lakh Only) towards the settlement charges.
5. Accordingly, the proposed adjudication proceedings for the alleged violation as discussed in paragraph 1 above, are settled *qua* the applicants as per the above terms, by way of this order and SEBI shall not initiate any enforcement action against the applicants for the said violations.
6. In view of the above, in terms of Regulation 15 and 19 of the Settlement Regulations, it is hereby ordered that:
- i. this order disposes of the said proposed adjudication proceedings in respect of the applicants as mentioned above and;
  - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, if SEBI finds that:
    - a. any representation made by the applicants in the present settlement proceedings are subsequently discovered to be untrue;
    - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order passed on this day of 10<sup>th</sup> August, 2017 shall come into force with immediate effect.
8. In terms of Regulation 17 of the Settlement Regulations, a copy of this order shall be sent to the applicants and shall also be published on the website of SEBI.

-Sd-

**G. MAHALINGAM**  
**WHOLE TIME MEMBER**

-Sd-

**S. RAMAN**  
**WHOLE TIME MEMBER**