

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO. EAD-5/SVKM/05/2015-16

SETTLEMENT ORDER

On the Application No. 2903 of 2015

Submitted by
M Anandan

1. Securities and Exchange Board of India (*hereinafter referred to as SEBI*) conducted investigation into the alleged irregularities in the trading in the shares of Manappuram Finance Limited (*hereinafter referred to as MFL/company*) on the background of RBI's press release dated February 06, 2012 restraining the company from accepting/renewing public deposits. On February 07, 2012, the price of the scrip of the company declined by 19.95% from its previous day closing price. Shri M. Anandan (*hereinafter referred to as Applicant*) was an independent and non-executive director of the company.

2. It was noticed that the Applicant had traded in the scrip of the company and failed to seek pre-clearance of his trades. Further he failed to make requisite disclosures required to be made under SEBI (Prohibition of Insider Trading) Regulations, 1992, (*hereinafter referred to as PIT Regulations*). In view of the above, it was alleged that the Applicant has violated the provisions of Clause 3.3-1 of the Code of Conduct specified under part A of the Schedule I read with regulation 12(1) of PIT Regulations & the provisions of regulations 13(4) read with 13(5) PIT Regulations.

3. In view of the above, SEBI initiated adjudication proceedings against the Applicant and vide order dated June 24, 2014 appointed Shri A Sunilkumar as Adjudicating Officer to inquire into and adjudge under section 15HB of the SEBI Act, 1992 (*hereinafter referred to as SEBI Act*) the alleged violation of provisions of Clause 3.3-1 of the Code of Conduct specified under part A of the Schedule I read with regulation 12(1) of PIT Regulations & under section 15A(b) of the SEBI Act the alleged violation of provisions of regulations 13(4) read with 13(5) PIT Regulations.
4. Accordingly Show Cause Notice No. EAD-05/ADJ/ASK/SPV/OW/23151/2014 dated August 06, 2014 (*hereinafter referred to as SCN*) was issued to the Applicant under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (*hereinafter referred to as Rules*) alleging that he has violated the aforementioned provisions of PIT Regulations.
5. While the adjudication proceedings pursuant to the said SCN were in progress, the Applicant, vide letter dated November 14, 2014 submitted an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as the “**Settlement Regulations, 2014**”) proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged violations.
6. The Authorized Representative of the Applicant appeared before the Internal Committee of SEBI on April 29, 2015 where the terms of settlement were

deliberated upon. Thereafter, the applicant, vide letter dated May 07, 2015, proposed to settle the aforesaid adjudication proceedings by offering to pay a sum of ₹8,77,625/- (Rupees Eight Lakh Seventy Seven Thousand Six Hundred Twenty Five only) towards settlement charges.

7. The settlement terms as proposed by the applicant were placed before the High Powered Advisory Committee (*hereinafter referred to as HPAC*) on June 12, 2015. The HPAC, after considering the facts and circumstances of the matter, settlement terms offered by the applicant and the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings may be settled on payment of ₹ 8,77,625/- (Rupees Eight Lakh Seventy Seven thousand Six hundred Twenty Five only) towards settlement charges as proposed by the applicant. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC. The same was intimated to the Applicant vide e-mail dated August 21, 2015.
8. Accordingly, the applicant, vide letter dated September 02, 2015 remitted a sum of ₹. 8,77,625/- (Rupees Eight Lakh Seventy Seven thousand Six Hundred Twenty Five only) towards settlement charges through Demand Draft no. 001845 dated August 26, 2015 drawn on HDFC Bank.
9. Consequent to the transfer of Shri A. Sunil Kumar, the Competent Authority has appointed the undersigned as the Adjudicating Officer, in the present matter, on June 22, 2015 under Section 19 of the SEBI Act, 1992 read with Section 15(I) of the SEBI Act, 1992 and Rule 3 of the Rules.

10. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the Applicant vide Show Cause Show Cause notice. EAD -05/ADJ/ASK/SPV/OW/23151/2014 dated August 06, 2014.
11. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the applicant, if :
- a. any representation 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.
12. This Settlement Order is passed on this **Twenty Third day of September, 2015** and shall come into force with immediate effect.

Place: Mumbai

S. V. Krishnamohan
Chief General Manager &
Adjudicating officer