

SETTLEMENT ORDER NO. EAD-3/JS/GSS/ 69-78 /2018-19
(Settlement Application No. 3527/2018 & 3487/2018 under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014)

In respect of:

K. Madhusudan Reddy (PAN: AHXPR8979H)
Exemplar International Private Limited (PAN: AAACK4213E)
Navbharat Carriers Private Limited (PAN: AABCN6488R)
K. Vanaja Reddy (PAN: AAKPR1282K)
K. Jyoti Reddy (PAN: ADSPR0751Q)
K. Vijaya Reddy (PAN: ABJPR8994G)
Vasudha Alimchandani alias K Radha Reddy (PAN: AAKPR1281L)
Madhusudan Leasing and Finance Ltd (now known Joy Realty Ltd): (PAN: AAACM7658R)
Piya Reddy (PAN: AAEPR3576Q)
Shree Sanjeeva Raghu Agencies Private Limited (PAN: AADCS6385G)

In the matter of:

Madhusudan Securities Limited

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') initiated adjudication proceedings in respect of 1) K. Madhusudan Reddy [PAN: AHXPR8979H], 2) Exemplar International Private Limited [PAN: AAACK4213E], 3) Navbharat Carriers Private Limited [PAN: AABCN6488R], 4) K. Vanaja Reddy [PAN: AAKPR1282K], 5) K. Jyoti Reddy [PAN: ADSPR0751Q], 6) K. Vijaya Reddy [PAN: ABJPR8994G], 7) Vasudha Alimchandani alias K Radha Reddy [PAN: AAKPR1281L], 8) Madhusudan Leasing and Finance Ltd (now known Joy Realty Ltd) (PAN: AAACM7658R) 9) Piya Reddy [PAN: AAEPR3576Q] and 10) Shree Sanjeeva Raghu Agencies Private Limited [PAN: AADCS6385G] (hereinafter, referred to as "applicants") in the matter of Madhusudan Securities Limited for non-disclosure under Regulation 8(2) of the 1997 Regulations for the financial years ('FY') ending 1997-2010 and for delayed disclosure requirements as prescribed under Regulation 30 (2) of the 2011 Regulations by K. Madhusudan Reddy and Exemplar International Private Limited i.e. Noticee no. 1 & 2.

2. The details of non-compliances, alleged to be committed by the Noticees, under the aforesaid provisions of 1997 Regulations and/or 2011 Regulations are summarized in the table mentioned below:

Sl. No.	Name of the Promoter(s)	Regulation 8(2) of 1997 Regulations	Regulation 30 (2) of 2011 Regulations		
		Year(s) of Violation - FY ending *	Due date of compliance	Actual date of compliance	Delay (no. of days)
1	Noticee No.1	1997 to 2010	April 12, 2012	April 25, 2012	13
			April 09, 2013	April 15, 2013	6
2	Noticee No.2	1997 to 2010	April 12, 2012	April 25, 2012	13
			April 09, 2013	April 15, 2013	6
3	Noticee No.3	1997 to 2010	-	-	-
4	Noticee No.4	1997 to 2009	-	-	-
5	Noticee No.5	1997 to 2009	-	-	-
6	Noticee No.6	1997 to 2009	-	-	-
7	Noticee No.7	1997 to 2009	-	-	-
8	Noticee No.8	1997 to 2010	-	-	-
9	Noticee No.9	2009 to 2010	-	-	-
10	Noticee No.10	2002 to 2009	-	-	-

Note: * - Due Date of Compliance = 21 days from the financial year ending March 31 i.e. April 21.

3. SEBI, vide communique / order dated July 28, 2017, appointed an Adjudicating Officer under Section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as “SEBI Act”) read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 to inquire into and adjudge under section 15A (b) of the SEBI Act, 1992, against the applicants for aforesaid alleged violations.
4. Show Cause Notice dated July 29, 2017 (hereinafter, referred to as “SCN”) was issued to the applicants, wherein it was inter-alia alleged that applicants are in violation of aforesaid provisions of SAST Regulations 1997 and SAST Regulations 2011.
5. While the adjudication proceedings were in progress, the applicants namely; K. Madhusudan Reddy, Exemplar International Private Limited, Navbharat Carriers Private Limited, K. Vanaja Reddy, K. Jyoti Reddy, K. Vijaya Reddy, Vasudha Alimchandani alias K Radha Reddy, Piya Reddy and Shree Sanjeeva Raghu Agencies Private Limited submitted application no. 3527/2018 and applicant namely: Madhusudan Leasing and Finance Ltd (now known Joy Realty Ltd) submitted application no.

3487/2018, for settlement of the proceedings in respect of aforesaid alleged violations against it, in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as 'Settlement Regulations, 2014').

6. The Panel of WTMs on June 18, 2018, condoned the delay of 120 days in filing of the application by the entities. In view of this process, as advised, the Adjudication Proceedings were kept in abeyance till the conclusion of these Settlement Applications.
7. It is noted that the Form A has been filed in terms of Regulation 4(2) and Regulation 3(8) of the Settlement Regulations. The application has been processed under Regulation 14 A (1) of the Settlement Regulations.
8. It is noted that there is verification on records to the effect that the applicants have made the necessary disclosures.
9. Thereafter, the panel of Whole Time Members (WTMs) of SEBI on September 12, 2018 considered the application for summary settlement. Accordingly, the applicant vide e-mail dated December 27, 2018, the applicants were advised to attend the Internal Committee (IC) meeting on December 31, 2018 and was given an option of either preferring a summary settlement procedure by paying the summary settlement amount of Rs.17, 68,205/- (Rupees Seventeen Lakh Sixty Eight Thousand Two Hundred and Five only) {amount arrived at in terms of Settlement Regulations} or come through the normal settlement procedure. The applicant opted for the summary settlement route and agreed to pay the summary settlement amount within 10 working days from the date of IC meeting.
10. Subsequently, the applicants vide letter dated January 10, 2019 remitted the Demand Draft dated January 09, 2019 bearing no. 132703 amounting to Rs.17,68,205/- (Rupees Seventeen Lakh Sixty Eight Thousand Two Hundred and Five only) drawn in favour of Dena Bank, towards the settlement terms in respect of aforesaid alleged violations.
11. Therefore, in view of the acceptance of the settlement terms upon receipt of Demand Draft as mentioned above, the aforesaid adjudication proceedings initiated against applicants vide SCN dated July 29, 2017 in respect of the aforesaid alleged violations against the applicants namely; namely; K. Madhusudan Reddy, Exemplar International Private Limited, Navbharat Carriers Private Limited, K. Vanaja Reddy, K. Jyoti Reddy, K. Vijaya Reddy, Vasudha Alimchandani alias K Radha Reddy, Piya Reddy, Shree Sanjeeva Raghu Agencies Private Limited and Madhusudan Leasing and Finance Ltd (now known Joy Realty Ltd), are disposed of in terms of Regulation 15(1) of Settlement Regulations, 2014.

12. It is hereby ordered that:

- a) This settlement order disposes of the aforesaid adjudication proceedings in respect of applicants as mentioned above;
- b) This settlement order is without prejudice to the right of SEBI to take enforcement actions including initiating or reopening the proceedings against the applicant for which settlement order was passed against applicant, if:
 - i) Any representation made by applicants in the settlement proceedings is subsequently found to be untrue; or
 - ii) Applicants breaches any of the clauses/ conditions of undertakings/ waivers filed during the current settlement proceedings.

13. In terms of Regulation 17 of Settlement Regulations, 2014 a copy of this order is being sent to the Applicant / Noticee, and for publication on the website of SEBI.

Date: January 31, 2019
Place: Mumbai

Jeevan Sonparote
Adjudicating Officer