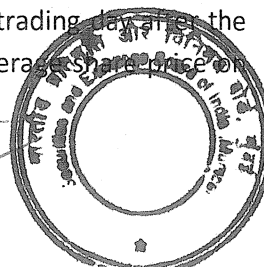


CO/CFD/66/July/2014

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER ON APPLICATION NO. 2774 OF 2013

FILED BY M/S BUTTERFLY AGRI PRODUCTS (P) LTD.
(PAN: AAACB8388D)

1. M/s Butterfly Agri Products (P) Ltd. having registered office at 1-2-285, Domalaguda, Hyderabad-500029 had filed a voluntary settlement application dated Dec 3, 2013, seeking settlement of any anticipated action(s) relating to the non-compliance of the restraint from selling shares during the lock-in period as specified in Regulation 78(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations).
2. The applicant belongs to the promoter group of Vivimed Labs Ltd (VLL). The Extraordinary General meeting of VLL held on March 5, 2010 approved issue of 15 lakh convertible warrants, on a preferential basis to certain promoter and non-promoter entities at an issue price of Rs. 150 per warrant. VLL applied for the in-principle approval from BSE and NSE, which was inadvertently delayed. As a result of the delay, the warrants were allotted on April 24, 2010. 1.4 lakh warrants were allotted to the applicant on April 24, 2010. Since the actual allotment was made on April 24, 2010, pre-preferential shareholdings was subject to lock-in till Oct 23, 2010 in terms of Regulation 78(6) of ICDR Regulations. However, the applicant did not take into account the delay in obtaining the in-principle approval and the pre-preferential shareholdings were locked-in only till Sep 20, 2010 instead of Oct 23, 2010. The applicant sold 2104 shares on Oct 6, 2010 when the prevailing weighted average share price was ₹ 340.47 and 1192 shares on Oct 11, 2010 when the prevailing weighted average share price was ₹ 333.43, viz. before the expiry of the lock-in period as per the ICDR Regulations.
3. The representatives of the applicant had a meeting with the Internal Committee of SEBI on Feb 20, 2014. It was noted that only a small proportion of the applicant's pre-preferential shareholding was sold i.e. 3296 shares out of the allotment of 1.4 lakh warrants and such sale caused no harm to the public shareholders nor secure any improper gain or advantage to the applicant except for a notional gain of ₹ 45,069/- (Rupees Forty five thousand and sixty nine) only, based on the difference between the weighted average share price of ₹ 324.25 prevailing on Oct 25, 2010 (the trading day after the lock-in period was over) and the prevailing weighted average share price on



Oct 6, 2010 and Oct 11, 2010. Thereupon the applicant submitted its revised terms for ₹ 2,00,000/- (Rupees Two lakh) only, which are in accordance with the terms formulated by the Internal Committee.

4. The High Powered Advisory Committee, considered the terms proposed by the applicant alongwith the facts of the case on March 20, 2014 and recommended the case for settlement on payment of ₹ 2,00,000/- (Rupees Two lakh) only, towards the settlement charges. The Panel of WTMs accepted the said recommendations of the Committee which was communicated to the applicant, vide email dated June 16, 2014.
5. Accordingly, the applicant vide its letter dated June 25, 2014, forwarded a Demand Draft no. "167909" dated June 25, 2014, drawn on Bank of Allahabad, payable at Mumbai, for ₹ 2,00,000/- (Rupees Two lakh) only towards the settlement charges.
6. In view of the above, any anticipated proceedings with regard to aforementioned non-compliance of the ICDR Regulations, as discussed earlier, is settled as per the above terms by way of this order and the Securities and Exchange Board of India shall not initiate any enforcement action against the applicant for the said non-compliance.
7. This settlement order passed on this the 21st day of July, 2014 shall come into force with immediate effect.


RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER


PRASHANT SARAN
WHOLE TIME MEMBER

