

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

on Application No. 3301 of 2017

Filed by 1) Mr. Suresh Shetty (PAN: ABBPS1631D), 2) Ms. Reetha Shetty (PAN: AADPS5018B), 3) Suresh Shetty HUF (PAN: AAJHS7270M), 4) Emerging Securities Private Limited (PAN: AAACE0195R), 5) Vanijya Investment & Trading (PAN: AAKFV4482F) – all in the matter of Suprajit Engineering Limited

1. 1) Mr. Suresh Shetty, 2) Ms. Reetha Shetty, 3) Suresh Shetty HUF, 4) Emerging Securities Private Limited, 5) Vanijya Investment & Trading (hereinafter referred to as the ‘applicants’) had filed a *suo motu* application dated June 30, 2017 in the matter of Suprajit Engineering Limited in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as ‘Settlement Regulations’), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the delayed compliance of Regulation 13(4A) of SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
2. Mr. Suresh Shetty is a director of Suprajit Engineering Limited, Mrs. Reetha Shetty is the spouse of Mr. Suresh Shetty, Emerging Securities Private Limited and Vanijya Investment & Trading are two firms where Mr. Suresh Shetty has more than 50% shareholding, Suresh Shetty HUF is set up by Mr. Suresh Shetty. The applicants had transacted in the shares of Suprajit Engineering Limited during December 10, 2012 to May 19, 2016 and had breached the prescribed threshold limits as prescribed in

SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015. It was observed that the applicants had transacted in the shares of Suprajit Engineering Limited on several occasions which resulted in change in the shareholding of the applicants exceeding the 25,000 shares threshold limit. However, the applicants failed to make the requisite disclosures within the stipulated time and the disclosures were made subsequently.

3. The Panel of Whole Time Members of SEBI, vide noting dated September 12, 2018, had approved that the settlement applications filed for the minor defaults/defaults involving disclosure matters may be processed as per “Summary Settlement Procedure” for expeditious disposal. It was observed that the captioned case may be considered for summary settlement as per the provisions of Regulation 16 of the Settlement Regulations. In view of the above, the applicants were called for an IC meeting and were given an option of either preferring a summary settlement procedure by paying the summary settlement amount or come through the normal settlement procedure of IC and HPAC. The applicants opted for the summary settlement route and agreed upon to pay the settlement amount of ₹29,54,738/- (Rupees Twenty Nine Lakhs Fifty Four Thousand Seven Hundred and Thirty Eight only) towards settlement terms as proposed by the applicants for the aforementioned default, within 10 working days from the date of the IC meeting.
4. The applicants vide Demand Draft No. 002172 dated January 28, 2019 drawn on HDFC Bank Limited has remitted ₹29,54,738/- (Rupees Twenty Nine Lakhs Fifty Four Thousand Seven Hundred and Thirty Eight only) towards the settlement charges. The Panel of Whole Time Members of SEBI, on February 01, 2019, approved the said settlement terms for the summary settlement of the captioned matter.
5. 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 proceedings that may be initiated for the defaults as discussed in paragraph 1 above, are settled *qua* the applicants as per the following terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
 - iii. this order disposes of the proceedings that may be initiated for the defaults as mentioned above, in respect of the applicants and;
 - iv. 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 is subsequently discovered to be untrue;
 - b. the applicants have breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings.
6. This settlement order is passed on this 8th day of February, 2019 and shall come into force with immediate effect.
7. 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