

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

**CONSENT ORDER
ON THE APPLICATIONS SUBMITTED BY**

**APOLLO TYRES LTD., AMAZER INVESTMENT & FINANCE
LTD., DELICIOUS TRADELINKS PVT. LTD. AND
WONDERFUL TRADING CO. PVT. LTD.**

**IN THE MATTER OF
APOLLO TYRES LIMITED**

**(CONSENT APPLICATION NOS. 363 OF 2007, 630, 804, 818 AND 819 OF
2008)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged insider trading in the shares of Apollo Tyres Limited during the period October 29 - November 17, 2003. The investigations, *prima facie*, revealed that Apollo Tyres Limited (ATL), Amazer Investment & Finance Ltd. (AIFL), Delicious Tradelinks Pvt. Ltd. (DTL) and Wonderful Trading Co. Pvt. Ltd. (WTPL) (hereinafter referred to as 'applicants') had indulged in insider trading in the shares of ATL around the time when ATL had signed an agreement to set up a new joint venture company called Michelin Apollo Tyres Limited. It was, therefore, alleged that AIFL, DTL and WTPL violated Regulations 3 (i), (ii) and 3 A of the SEBI (Prohibition of Insider Trading) Regulations, 1992. ATL violated Regulation 3 (ii) read with Code of Internal Procedures prescribed under Regulation 12 (1) and Clause 2 of Model Code of Conduct as specified in Schedule I of the said Regulations. It was further alleged that the

applicants had violated Section 12 A (d) and (e) of the SEBI Act, 1992 read with Regulation 4 of the said Regulations.

2. Pursuant to the investigations, SEBI issued a notice dated May 19, 2006, in terms of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 communicating the findings of the investigations to the applicants and to show cause as to why suitable action under Regulation 11 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 read with Section 11(4) and 11B of SEBI Act, 1992 should not be initiated. Adjudication proceedings were also initiated against the applicants in the said matter under section 15G of the SEBI Act 1992. Details of the proceedings initiated and the replies submitted by the applicants are as under:-

Sr. No.	Name of the party	Date of				
		SCN u/s 11B	Reply to SCN	SCN for Adjudication Proceedings	Reply to SCN	Consent Application
1	Apollo Tyres Ltd.	May 19, 2006	August 30, 2006	August 31, 2007	No reply received	December 10, 2007
2	Amazer Investment & Finance Ltd.	- do -	September 06, 2006	December 07, 2006	March 26, 2007	April 15, 2008,
3	Delicious Tradelinks Pvt Ltd	- do -	September 08, 2006	- do -	- do -	June 20, 2008
4	Wonderful Trading Co. Pvt Ltd.	- do -	September 11, 2006	- do -	- do -	July 07, 2008

3. While further proceedings were in progress, the applicants, vide separate letters as aforesaid, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007. The High Powered Advisory Committee (HPAC) constituted by SEBI, considered the consent terms proposed by the applicants and recommended the case for settlement. Accordingly, the applicants shall pay a total sum of Rs.1,00,00,000/- (Rupees one crore

only) towards settlement charges as indicated in column 6 of the following table:

Sr. No.	Name of the entity	Demand Draft No.	Drawn on	Dated	Amount (Rs.)
1	Apollo Tyres Ltd.	966656	Union Bank of India	20/08/2008	10,00,000/-
2	Amazer Investment & Finance Ltd.	549155 to 549161 (for Rs. 10 lakh each)	Bank of Maharashtra	07/10/2008	70,00,000/-
3	Delicious Tradelinks Pvt. Ltd.	221758 and 221759 (for Rs. 5 lakh each)	Corporation Bank	21/08/2008	10,00,000/-
4	Wonderful Trading Co. Pvt. Ltd.	158197 and 158198 (for Rs. 5 lakh each)	Bank of Baroda	20/08/2008	10,00,000/-
Total					<u>1,00,00,000/-</u>

4. SEBI accepted the recommendation of HPAC and communicated the same to the applicants vide letters dated August 13, 2008. Accordingly the applicants, without admitting or denying the charges, have remitted the amounts to SEBI towards settlement charges in the matter as indicated in table in para 3 above.
5. In view of the above, it is hereby ordered that this consent order disposes of the said 11B proceedings as well as the adjudication proceedings initiated against the applicants in the matter of Apollo Tyres Limited.
6. This order is without prejudice to the right of SEBI to take enforcement action, including commencing / reopening of the pending proceedings against the applicants, if:
 - a. any representation made by the applicants in this consent proceedings is subsequently discovered to be untrue;

- b. the applicants breach any of the consent terms or undertakings filed in this consent proceedings.
7. This consent order is passed on this day, the 14th of November, 2008 and shall come into force with immediate effect.

T. C. NAIR

WHOLE TIME MEMBER

M. S. SAHOO

WHOLE TIME MEMBER