

**BEFORE THE ADJUDICATING OFFICER**

**THE SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**

(Application No. 3038/2016)

On the application submitted by

**Shri Veeranjanyulu Chirumamilla (PAN: AFIPC4986L)**

**Settlement Order No: SP/AK/01/2017**

---

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), has initiated adjudication proceedings against Shri Veeranjanyulu Chirumamilla (hereinafter referred to as '**the noticee**') vide order dated July 01, 2014 to inquire into and adjudge under Section 15A(b) of the SEBI Act, 1992, violation of Regulation 13(4) and 13(4A) read with Regulation 13(5) of SEBI (Prohibition of Insider Trading) Regulation, 1992, in the matter of M/s Covidh Technologies Ltd. (formerly known as Aptus Industries Ltd.).
2. Shri Sura Reddy had earlier been appointed as the Adjudication Officer in the matter. Subsequently, vide order dated December 09, 2014, the undersigned was appointed as the Adjudication Officer in the matter.
3. In this regard, a Show Cause Notice (hereinafter referred to as '**SCN**') ref. SEBI-HLO/SP/DT/8112/2015 dated March 17, 2015 was issued to the noticee. It was alleged in the SCN that though the shareholding pattern of the company for the quarters ending March 2013, June 2013 and September 2013 showed changes, the noticee failed to make the requisite disclosures to the stock exchange(s) with respect to transactions done by the noticee in the shares of the company.

4. While the adjudication proceedings were in progress, the noticee submitted an application for settlement of the proceedings, in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**').
5. The settlement terms as proposed by the noticee were considered by the Internal Committee of SEBI in its meeting held on April 28, 2016 and placed before the High Powered Advisory Committee for settlement orders and compounding proceedings (HPAC) in its meeting held on May 30, 2016. Upon consideration, HPAC recommended that the alleged violations may be settled on payment of Rs.3,00,000/- (Rupees Three Lakh Only) towards settlement terms as proposed by the noticee. Thereafter, the panel of Whole Time Members of SEBI has in principle agreed to accept the terms of consent proposed subject to the clauses of Undertakings/Waivers vide the subject application. Thereafter, the noticee was intimated of the recommendations vide e-mail dated August 18, 2016.
6. The noticee vide e-mail dated August 31, 2016 sought 30 days' time to pay the settlement charges. In spite of passage of the requested period and considerable period thereafter, the settlement charges remained unpaid by the noticee. In the meantime, an amendment in Settlement Regulations, inter alia introduced the provision of charging interest on the settlement amount.
7. Considering the delay in making payment, the noticee vide e-mail dated May 03, 2017, was advised to pay the settlement amount along with an interest @ 6% till the date of making payment reckoned from August 18, 2016. The last date for making payment was indicated to be May 15, 2017.

8. Accordingly, noticee vide letter dated May 12, 2017 submitted a demand draft (DD) bearing No.25153 dated May 12, 2017 drawn on HDFC Bank Ltd. for Rs.3,13,315/- (Three Lakh Thirteen Thousand Three Hundred Fifteen Only) [i.e. Rs.3,00,000/- towards settlement charges plus Rs.13,315/- towards interest from August 18, 2016 till May 15, 2017].
9. Now, therefore, in view of the acceptance of the settlement terms as proposed by the noticee and receipt of the DD as above by SEBI, the pending adjudication proceedings initiated against the noticee vide SCN dated March 17, 2015 are disposed of in terms of Regulation 15(1) of Settlement Regulations.
10. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order was passed against the noticee, if :
  - a. any representations made by the noticee in the settlement proceedings is subsequently found to be untrue; or
  - b. the noticee breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
11. This settlement order is passed on the June 05, 2017 and shall come into force with immediate effect.
12. In terms of Regulation 17 of the Settlement Regulations, a copy of this order is being sent to the noticee and for publication on the website of SEBI.

**Date: June 05, 2017**  
**Place: Mumbai**

**SANJAY PURAO**  
**ADJUDICATING OFFICER**