

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CO/CFD/2805/2014/JJ/AK/AO-145/2014

SETTLEMENT ORDER

On the Application No. 2805 of 2014

Submitted by

M/s Sabero Organics Gujarat Limited

(PAN: AABCS5313C)

In the matter of:

M/s Sabero Organics Gujarat Limited

1. An open offer was made by Coromandel International Limited (hereinafter referred to as "**Acquirer**") in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**SAST Regulations, 1997**), to the shareholders of M/s Sabero Organics Gujarat Limited (hereinafter referred to as "**SOGL**"), Target Company listed at BSE Limited (**BSE**) and National Stock Exchange (**NSE**), through a public announcement dated June 02, 2011 for acquisition of 1,05,00,000 equity shares representing 31% of share capital of SOGL, at a price of ₹160 per fully paid up equity share of ₹10 each, payable in cash.
2. Upon perusal of open offer, it was observed that SOGL had not made the disclosures required as per regulation 8(3) of SAST Regulations, 1997 of the year 1998 & 1999 and had made the disclosures required as per regulation 8(3) of SAST Regulations, 1997 of the years 2000, 2001, 2002, 2005, 2007 and 2010 as against the due date of compliance with a delay. The details of delay in this regard are as follows:

| S.No. | Regulation | Due date of compliance | Actual date of compliance | Delay if any (in no. of days) |
|--------------|-------------------|-------------------------------|----------------------------------|--------------------------------------|
| 1 | 8(3) | 30.04.1998 | Not Available | - |
| 2 | 8(3) | 30.04.1999 | Not Available | - |
| 3 | 8(3) | 30.04.2000 | 26.06.2002 | 787 |
| 4 | 8(3) | 30.04.2001 | 26.06.2002 | 422 |
| 5 | 8(3) | 30.04.2002 | 26.06.2002 | 57 |
| 6 | 8(3) | 30.04.2005 | 15.04.2008 | 1081 |
| 7 | 8(3) | 30.04.2007 | 21.09.2007 | 144 |
| 8 | 8(3) | 21.10.2010 | 21.03.2010 | 7 |

3. Thus, it was alleged that SOGL had failed to comply with regulation 8(3) of SAST Regulations, 1997 in the years 1998 to 2002, 2005, 2007 and 2010.
4. Upon perusal of open offer, it was observed that Harvard Finance Company Limited (Harvard) had acquired 3,50,850 shares of SOGL representing 1.69% of total share capital of SOGL on October 31, 2003, due to which Harvard shareholding had increased to 6.51% from 4.82%. Upon crossing 5% threshold limit specified under regulation 7(1) of SAST Regulations, 1997, Harvard had made the required disclosure as per regulation 7(1) of SAST Regulations, 1997 to SOGL.
5. It was also observed that Karville Company Limited (Karville) had acquired 17,96,687 shares of SOGL representing 4.49% of total share capital of SOGL on March 29, 2010, due to which Karville shareholding had increased to 14.81% from 10.32%. Upon crossing 14% threshold limit specified under regulation 7(1) of SAST Regulations, 1997, Karville had made the required disclosure as per regulation 7(1) of SAST Regulations, 1997 to SOGL.
6. It was observed that in respect of aforesaid disclosures made by Harvard and Karville, SOGL had made the disclosures required as per regulation 7(3) of SAST

Regulations, 1997 as against the due date of compliance with a delay to stock exchanges. The details of delay in this regard are as follows

| S.No. | Regulation | Date of Transaction | Due date of compliance | Actual date of compliance | Delay in compliance (in no. of days) |
|-------|------------|---------------------|------------------------|---------------------------|--------------------------------------|
| 1 | 7(3) | 31.10.2003 | 09.11.2003 | 10.06.2011 | 2770 |
| 2 | 7(3) | 29.03.2010 | 07.04.2010 | 08.06.2011 | 427 |

7. Thus, it was alleged that SOGL had failed to comply with regulation 7(3) of SAST Regulations, 1997.
8. Shri Piyoosh Gupta was appointed as the Adjudicating Officer vide order dated June 27, 2013 under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) to inquire and adjudge under Section 15A(b) of the SEBI Act, the alleged violations of provisions of regulation 8(3) and regulation 7(3) of SAST Regulations, 1997 committed by SOGL (**Noticee**). Consequent, upon transfer of Shri Piyoosh Gupta, the undersigned has been appointed as Adjudicating Officer vide order dated November 08, 2013 to enquire and adjudge the matter. Accordingly, a Show Cause Notice (**SCN**) in terms of the provisions of Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was issued to the Noticee on November 14, 2013, seeking reply of the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.
9. While the Adjudication Proceedings were in progress, a settlement application dated February 10, 2014 (received on February 20, 2014) was submitted by the Noticee before SEBI along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 further amended vide Circular No.

CIR/EFD/1/2012 dated May 25, 2012, which is rescinded by the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through settlement order, the aforementioned adjudication proceedings for delayed compliance of regulation 7(3) and regulation 8(3) of SAST Regulations, 1997 alleged to have been committed by the Noticee.

10. The representatives of the Noticee had a meeting with the Internal Committee of SEBI where the terms of settlement was deliberated upon. Thereafter, the Noticee vide its letter dated May 27, 2014 proposed the revised consent terms to settle the aforesaid adjudication proceedings for the delayed compliance of regulation 7(3) and regulation 8(3) of the SAST Regulations, 1997 by offering to pay a sum of ₹12,36,750/- (Rupees Twelve Lakh Thirty Six Thousand Seven Hundred Fifty only) towards settlement charges.
11. The revised settlement terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) on July 22, 2014 and HPAC after deliberation recommended the case for settlement on payment of ₹12,36,750/- (Rupees Twelve Lakh Thirty Six Thousand Seven Hundred Fifty only) towards settlement terms. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC. Thereafter, SEBI vide letter dated September 26, 2014 and vide email dated September 26, 2014 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the settlement proposed by the Noticee subject to the clauses of Undertakings/Waivers mentioned in the settlement application and advised the Noticee to pay in accordance with the revised settlement terms.
12. Accordingly, the Noticee has remitted a sum of ₹12,36,750/- (Rupees Twelve Lakh Thirty Six Thousand Seven Hundred Fifty only) favoring Securities and Exchange Board of India vide demand draft having No. 424372 dated October 14, 2014 drawn on Axis Bank Ltd. towards the settlement charges.

13. In view of the above, in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:

- A) this Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Noticee as mentioned above and;
- B) passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. any representations made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.

14. This Settlement Order is passed on the 29th day of October, 2014 and shall come into force with immediate effect.

15. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee and also to Securities and Exchange Board of India, Mumbai.

Place: Mumbai

**Jayanta Jash
Adjudicating Officer**