

BEFORE THE ADJUDICATING OFFICER
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO. RA/JP/ 142 - 143 /2017

SETTLEMENT ORDER

On the Application No. 2987 of 2015

Submitted by Mr. E. V. Muthukumara Ramalingam and Mr. M. R. Gautam

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') has initiated adjudicating proceeding against Mr. E. V. Muthukumara Ramalingam and Mr. M. R. Gautam (hereinafter referred to as '**the Applicants / Noticees**') under Section 15A (b), 15 H and 15HB of the Securities and Exchange Board of India Act, 1992.
2. Earlier, Shri D. Ravi Kumar was appointed as the Adjudicating Officer vide order dated April 12, 2013 and consequent to his transfer, the undersigned was appointed as Adjudicating Officer vide order dated December 09, 2014 in the matter.
3. A common Show Cause Notice Reference No. EAO/RA/JP/2715/2015 dated January 22, 2015 (hereinafter referred to as '**SCN**') was issued wherein it was alleged that the Applicants/Noticees have violated regulation 13 (3) of SEBI (Prohibition of Insider Trading) Regulations, 1992 and regulation 8 A of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
4. While the adjudication proceedings were in progress, the Applicants / Noticees submitted 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. A meeting of the Internal Committee (**IC**) of SEBI was held on June 16, 2017 and thereafter the Applicants / Noticees had proposed the settlement terms vide their letters dated June 23, 2017.
6. The settlement terms as proposed by the Applicants / Noticees were considered by the IC and placed the same before the High Powered Advisory Committee (**HPAC**) on July 05, 2017. After considering the facts / circumstances of the case, material brought before it, taking note that the Applicants had disclosed the creation of pledge as per the requirements and also taking note that the Applicants are agreeable to pay the settlement amount calculated as per Settlement Regulations, the HPAC recommended that the case may be settled on payment of ₹ 9,03,125/- (Rupees Nine Lakh Three Thousand One Hundred and Twenty Five only) by Mr. E.V. Muthukumara Ramalingam and on payment of ₹ 4,56,875/- (Rupees Four Lakh Fifty Six Thousand Eight Hundred and Seventy Five only) by Mr. M. R. Gautam, towards settlement terms.
7. The recommendation of HPAC were approved by a Panel of the Whole Time Members of SEBI on August 16, 2017 and the same was communicated to the Applicants/Noticees. The Applicant / Mr. E.V. Muthukumara Ramalingam vide his letter dated August 24, 2017 had submitted a Demand Draft bearing No. 524060 dated August 24, 2017, drawn on Union Bank of India for an amount of ₹ 9,03,125/- (Rupees Nine Lakh Three Thousand One Hundred and Twenty Five only) and the Applicant / Mr. M. R. Gautam vide his letter dated August 24, 2017 had submitted a Demand Draft bearing No. 622359 dated August 24, 2017, drawn on Canara Bank for an amount of ₹ 4,56,875/- (Rupees Four Lakh Fifty Six Thousand Eight Hundred and Seventy Five only) towards the settlement of actions in the case.
8. Now, in view of the acceptance of the settlement terms as proposed by the Applicants/Noticees and upon receipt of aforesaid Demand Draft by SEBI, the pending adjudication proceedings initiated against the Applicants / Noticees under the aforesaid SCN dated January 22, 2015, is hereby disposed of in terms of regulation 15(1) of the Settlement Regulations.

9. This order is without prejudice to the right of SEBI to initiate enforcement actions including commencing / reopening of the pending proceedings against the Applicants / Noticees, if SEBI finds that:
- i. any representations made by the Applicants in the present settlement proceedings are subsequently discovered to be untrue.
 - ii. the Applicants have breached any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings.
10. This settlement order passed on 1st day of September, 2017 shall come into force with immediate effect.
11. In terms of regulation 17 of Settlement Regulations, a copy of this order is being sent to the Applicants / Noticees and for publication on the SEBI website.

Date: September 01, 2017

Place: Mumbai

**RACHNA ANAND
ADJUDICATING OFFICER**