

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**SETTLEMENT ORDER NO. EAD-5/SVKM/02/2015-16**

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**SETTLEMENT ORDER**

**On the Application No. 2907 of 2014**

**Submitted by**  
**M/s Coromandel International Limited**  
**(For Liberty Phosphate Limited since merged with Coromandel**  
**International Limited)**  
**(PAN NO. AAACC7852K)**

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1. An open offer was made by Coromandel International Limited in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**SAST Regulations, 2011**”) to the erstwhile shareholders of the Liberty Phosphate Limited, Target Company, through a public announcement dated January 24, 2013 for acquisition of 37,53,933 fully paid up equity shares of the face value of ₹10 each, representing 26% of the equity share capital of the Target Company at a price of ₹ 241/- per share payable in cash. The shares of Liberty Phosphate Limited were listed at BSE. Liberty Phosphate Limited has since been merged with Coromandel International Limited pursuant to the orders of Hon’ble High Court of Andhra Pradesh and Hon’ble High Court of Gujarat in May 2014 with retrospective effect from April 01, 2013.
2. While examining the Letter of Offer filed pursuant to the aforementioned public announcement, it was observed that Liberty Phosphate Limited had not complied with the provisions of Regulation

8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “**SAST Regulations, 1997**”) within the due date during the years 1998 to 2004 and 2006. The details of the non-compliances by the Applicant in the tabular form is given below:

Sr. No.	Provision of SAST Regulations, 1997	Due date of compliance	Actual date of compliance	Delay (in no. of days)
1	8(3)	30.04.1998	22.06.2007	3340
2	8(3)	30.04.1999	22.06.2007	2975
3	8(3)	30.04.2000	22.06.2007	2609
4	8(3)	30.04.2001	22.06.2007	2244
5	8(3)	30.04.2002	22.06.2007	1879
6	8(3)	30.04.2003	04.02.2013	3568
7	8(3)	30.04.2004	04.02.2013	3202
8	8(3)	30.04.2006	04.02.2013	2472

3. In view of the above, SEBI initiated adjudication proceedings against Liberty Phosphate Limited and vide order dated July 08, 2013 appointed Shri Piyoosh Gupta as Adjudicating Officer to inquire into and adjudge under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), the alleged violations by the Applicant of provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of SAST Regulations, 2011. Subsequently, upon the transfer of Shri Piyoosh Gupta, Shri A. Sunil Kumar was appointed as Adjudicating Officer vide order dated November 08, 2013.
4. Accordingly, a Show Cause notice no. (SCN) EAD-5/ADJ/ASK/AA/OW/18519/2014 dated June 27, 2014 was issued to Liberty Phosphate Limited under Rule 4 of the SEBI (Procedure for

- Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Rules**”) alleging that they have violated the provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of SAST Regulations, 2011 during the years 1998 to 2004 and 2006.
5. While the adjudication proceedings pursuant to the said SCN were in progress, Coromandel International Limited (hereinafter referred to as the “**Applicant**”), the merged entity, vide letter dated December 08, 2014 had submitted an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 Limited (hereinafter referred to as the “**Settlement Regulations, 2014**”) proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged violations. In the said application, the applicant offered ₹ 2,00,000/- (Rupees two lakh only) to settle the charges in terms of the Settlement Regulations, 2014.
  6. The applicant appeared before the Internal Committee of SEBI on January 27, 2015 where the terms of settlement were deliberated upon. Thereafter, the applicant vide letter dated February 02, 2015 revised their proposal to settle the aforesaid adjudication proceedings by offering to pay a sum of ₹8,50,000/- (Rupees Eight Lakh Fifty Thousand only) towards settlement charges.
  7. The revised settlement terms as proposed by the applicant were placed before the High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) on March 17, 2015. The HPAC, after considering the facts and circumstances of the matter, settlement

- terms offered by the applicant and the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings may be settled on payment of ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) towards settlement charges as proposed by the applicant. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC and the same was communicated to the applicant vide letter dated May 20, 2015.
8. Accordingly, the applicant, vide Demand Draft no. 520616 dated May 26, 2015 drawn on HDFC Bank, has remitted a sum of ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) towards settlement charges.
  9. Consequent to the transfer of Shri A. Sunil Kumar, the Competent Authority has appointed the undersigned as the Adjudicating Officer, in the present matter, on June 03, 2015 under Section 19 of the SEBI Act, 1992 read with Section 15(I) of the SEBI Act, 1992 and Rule 3 of the Rules.
  10. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against M/s Liberty Phosphate Limited (since merged with Coromandel International Limited), vide Show Cause Notice no. EAD-5/ADJ/ASK/AA/OW/18519/2014 dated June 27, 2014.
  11. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings

in respect to which this settlement order was passed against the applicant, if :

- a. any representation made by the applicant in the settlement proceedings is subsequently found to be untrue; or
- b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.

12. This Settlement Order is passed on this **Fifth day of June, 2015** and shall come into force with immediate effect.

**Place: Mumbai**

**S. V. Krishna Mohan**

**Adjudicating officer**