

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No. 3476 of 2018 filed by Ms. Priyanka Pathak [PAN: AHMPP1761E]

In the matter of CRISIL Limited

1. Ms. Priyanka Pathak ('applicant') filed a settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 (w.e.f. January 01, 2019), without admitting the findings of fact and conclusions of law, proposing to settle, through settlement order, the pending proceedings under Section 11B read with Section 11(4) of the Securities and Exchange Board of India Act, 1992 initiated vide show cause notice dated June 23, 2017 and pending adjudication proceedings initiated vide show cause notice dated May 12, 2017.
2. The said show cause notices were with regard to an investigation conducted by the Securities and Exchange Board of India ('SEBI') in the matter of CRISIL Limited. On June 03, 2013, a corporate announcement of voluntary open offer for acquisition of up to 1,56,70,372 equity shares (i.e. 22.23%) of CRISIL Limited at ₹1,210 from the public shareholders was made by one McGraw-Hill Asian Holdings (Singapore) along with its PACs namely McGraw Hill Financial Inc., S&P India LLC and Standard & Poor International LLC. The investigation observed that the applicant had purchased the shares of CRISIL Limited during the period when price sensitive information was not public (i.e. during May 01, 2013 to June 02, 2013) and sold the same immediately on the date of corporate announcement. The investigation also observed that while trading in the scrip of CRISIL Limited during the UPSI period, the applicant had made a profit of ₹7,84,752.
3. The said default was *prima facie* found to be in violation of Regulation 3(i) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 read with Regulation 12(1) and 12(2) of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The applicant in the settlement application has *inter alia* submitted that the trading in the scrip had no

connection with the open offer in CRISIL Limited and it was a co-incidence that the dates of her purchase and sales were proximate to the date of open offer. The applicant also submitted that alleged default have not caused any loss to any investor or affected the securities market in any manner. Further, the alleged gains were only ₹7,84,752.

4. The applicant had a meeting with the Internal Committee of SEBI on November 01, 2018, wherein the settlement terms were deliberated. Thereafter, the applicant vide letter dated November 09, 2018, proposed the revised settlement terms to settle the default mentioned above.
5. The High Powered Advisory Committee ('HPAC') in its meeting held on December 19, 2018, considered the settlement terms proposed and recommended the case for settlement upon payment of ₹26,28,950 (Rupees Twenty Six Lakh Twenty Eight Thousand Nine Hundred Fifty only) towards settlement charges and disgorgement of gains of ₹7,84,752 (Rupees Seven Lakh Eighty Four Thousand Seven Hundred Fifty Two only) along with an interest @ 12% per annum from the year of transaction.
6. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated February 08, 2019. The applicant vide e-mail dated February 16, 2019, requested for extension of time for complying with the settlement terms.
7. Thereafter, the applicant vide e-mail dated April 11, 2019, has submitted the details of remittance of ₹26,55,240 (Rupees Twenty Six Lakh Fifty Five Thousand Two Hundred Forty only) (i.e. amount along with simple interest at the rate of six percent per annum for the delay in remitting the funds) vide UTR no. INDBR22019040500495633 towards the settlement charges. The applicant also submitted details of remittance of ₹7,92,600 (Rupees Seven Lakh Ninety Two Thousand Six Hundred only) towards disgorgement (vide UTR no. INDBR22019040500495717) and ₹5,15,950 (Rupees Five Lakh Fifteen Thousand Nine Hundred Fifty only) towards interest @ 12% per annum on disgorgement amount from the date of default (vide UTR no. INDBR22019040800505587), respectively (said amounts are inclusive of simple interest at the rate of six percent per annum for the delay in remitting the funds).

8. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the SEBI (Settlement Proceedings) Regulations, 2018, it is hereby ordered that:
- i. the pending proceedings against the applicant under Section 11B read with Section 11(4) of the Securities and Exchange Board of India Act, 1992 and the adjudication proceedings for the default as discussed in paragraph 3 above, are settled *qua* the applicant as per the above terms,
 - ii. this order disposes of the said pending proceedings in respect of the applicant for the default as mentioned above and;
 - iii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
9. This settlement order is passed on this 15th day of April, 2019 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the SEBI (Settlement Proceedings) Regulations, 2018, a copy of this Order shall be sent to the applicant and shall also be published on the website of SEBI. A copy of this Order shall also be served on the Stock Exchanges and the Depositories to ensure the necessary compliance.

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S. K. MOHANTY
WHOLE TIME MEMBER

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ANANTA BARUA
WHOLE TIME MEMBER