

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No. 3874/2019 Filed by Mr. Atul Saraogi [PAN: AUXPS5844D] and Ms. Vimala Devi Kalantri [PAN: AAHPK8935D] in the matter of M/s. United Spirits Limited

1. Mr. Atul Saraogi and Ms. Vimala Devi Kalantri (hereinafter referred to as “applicants”) filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as ‘Settlement Regulations’) proposing to settle, without admitting the findings of fact and conclusions of law, through a settlement order, the pending enforcement proceedings initiated vide Show Cause Notice dated March 29, 2017 under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 and Show Cause Notice dated August 10, 2017 issued by the Adjudicating Officer, for the alleged violation of Regulation 3(i) and 4 of SEBI (Prohibition of Insider trading) Regulations, 1992 (hereinafter referred to as “PIT Regulation”) read with Regulation 12 of PIT Regulation and Sections 12A (d) and (e) of the SEBI Act, 1992, by Mr. Atul Saraogi and for the alleged violation of Section 12A(d) of the SEBI Act, 1992, by Ms. Vimala Devi Kalantri.
2. SEBI carried out investigation into the trading activity of the applicants in the scrip of United Spirits Ltd. (hereinafter referred to as “USL”) during the period January 01, 2014 to April 17, 2014. It was observed that on April 15, 2014, before market opened, Relay B.V together with Diageo Plc as the Person Acting in Concert made public announcement to acquire upto 3,77,85,214 fully paid up equity shares of USL at a price of ₹3,030/- per share. The Open Offer was announced on April 15, 2014 by the managers to the offer, viz. JM Financial Institutional Securities Ltd.(hereinafter referred to as “JMFL”) and HSBC Securities and Capital Markets (India) Private Ltd. It was observed from the chronology of events that Price Sensitive Information related to Open Offer came into existence on March 12, 2014 and the corporate announcement of the Open Offer was made on April 15, 2014. Accordingly, the period of Unpublished Price Sensitive Information (hereinafter referred to as “UPSI”) was from March 12, 2014 to April 14, 2014. It was observed during the investigation that Mr. Atul Saraogi was the Vice President of JMFL. Mr. Atul Saraogi is the son-in-law of Ms. Vimala Devi Kalantri. Mr. Saraogi, an insider, had traded during

the UPSI period in the F&O segment pertaining to the scrip of USL through the account of Ms. Kalantri. It is alleged that the applicants, jointly and severally, made wrongful gains of approx. ₹30.43 lakh.

3. The authorized representatives of the applicants had a meeting with Internal Committee on April 02, 2019, wherein the settlement terms were deliberated. Thereafter, the applicants, vide letter dated April 09, 2019, proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee ('HPAC') in its meeting held on May 06, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹75,66,295/- (Rupees Seventy Five Lakh Sixty Six Thousand Two Hundred Ninety Five only) along with disgorgement of ₹30,43,256/- (Rupees Thirty Lakh Forty Three Thousand Two Hundred Fifty Six only) with interest of ₹18,11,946/- (Rupees Eighteen Lakh Eleven Thousand Nine Hundred Forty Six Only) by the applicants towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC on July 02, 2019, and the same was communicated to the applicants vide e-mail dated July 05, 2019.
5. The applicant remitted the aforesaid settlement amount of ₹75,66,295/- (Rupees Seventy Five Lakh Sixty Six Thousand Two Hundred Ninety Five only) along with disgorgement of ₹30,43,256/- (Rupees Thirty Lakh Forty Three Thousand Two Hundred Fifty Six only) with interest of ₹18,11,946/- (Rupees Eighteen Lakh Eleven Thousand Nine Hundred Forty Six Only) by way of RTGS on July 19,2019, towards the settlement amount.
6. 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 Settlement Regulations, it is hereby ordered that:
 - i. the enforcement proceedings for the alleged default as discussed in paragraph 1 above, are settled qua the applicants as per the above terms;
 - ii. SEBI shall not initiate any enforcement action against the applicants for the said defaults;
 - iii. This order disposes of the enforcement proceedings in respect of the applicants as mentioned above and;

- iv. 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 applicants in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
- 7. This settlement order is passed on this 22nd day of August, 2019 and shall come into force with immediate effect.
- 8. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER