

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER No. SO/NH/RJ/2024-25/7617 - 7619]**

In respect of:

Sr. No.	Settlement Application Nos.	Name of the Applicant	PAN
1.	7617/2024	Mr. Amit Kumar Rathi	AASPR9581K
2.	7618/2024	Ms. Anjushree Rathi	AASPR9580J
3.	7619/2024	Ms. Saroj Rathi	AASPS6006Q

**In the matter of suspected insider trading activity of certain entities in the scrip of
Electrosteel Castings Limited**

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted an investigation with regard to the trading activities of promoter/promoter group entities of Electrosteel Castings Limited (hereinafter referred to as '**ECL**'/ '**company**'), in the scrip of ECL prior to the public announcement about the proposed amalgamation of Srikalahasthi Pipes Limited with ECL. The period of investigation (hereinafter referred to as '**IP**') was considered from May 17, 2020 to January 06, 2021.
2. Pursuant to the investigation, it was alleged that Mr. Amit Kumar Rathi, Ms. Anjushree Rathi and Ms. Saroj Rathi (collectively referred to as '**Applicants**') were in possession of unpublished price sensitive information (hereinafter referred to as '**UPSI**') regarding the proposed amalgamation of Srikalahasthi Pipes Limited with ECL. It was alleged that the Applicants had executed trades in the scrip of ECL while in possession of UPSI. In this regard, it was alleged that the following notional profit was made by the Applicants while trading in the shares of ECL while being in possession of UPSI:

Settlement Order in the matter of suspected insider trading activity of certain entities in the scrip of Electrosteel Castings Limited

Table 1

Entity	Purchase Qty.	Avg. Buy rate (in Rs.)	Notional Profit (in Rs.)
Mr. Amit Kumar Rathi	1,00,000	16.65	6,54,896.80/-
Ms. Anjushree Rathi	50,000	17.37	2,91,141.60/-
Ms. Saroj Rathi	50,000	17.39	2,90,300/-
Total	2,00,000	17.137	12,36,338.40/-

3. Therefore, it was alleged that the Applicants have violated the provisions of Regulation 4(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations**') and Section 12A(e) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act, 1992**').

APPOINTMENT OF ADJUDICATING OFFICER

4. SEBI had appointed the undersigned as the Adjudicating Officer (hereinafter referred to as '**AO**') in the matter vide communique dated August 10, 2023 under Section 15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**'), to inquire into and adjudge under the provisions of Section 15G of the SEBI Act for the aforementioned violations of the provisions of law alleged to have been committed by the Applicants.

SHOW CAUSE NOTICE

5. A Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ/2023/49324 dated December 07, 2023 (hereinafter referred to as '**SCN/Notice**') was served upon the Applicants in terms of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against the Applicants and why penalty, if any, not be imposed on them in terms of the provisions of the Section 15G of the SEBI Act for the violations alleged to have been committed by the Applicants.

6. Consequent to the issuance of the SCN, the Applicants requested for the inspection of documents, which was concluded on January 04, 2024. Thereafter, a settlement application was filed by the Applicants on February 06, 2024 requesting settlement of the adjudication proceedings in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**').

SETTLEMENT PROCEEDINGS

7. Based on material available on record, it is noted that pursuant to receipt of the Settlement Application, the authorised representative of the Applicants had a meeting with the Internal Committee of SEBI (hereinafter referred to as '**IC**') on March 13, 2024. The IC recommended the following as the indicative amount computed in terms of Schedule II read with Regulation 10 of Settlement Regulations:

Table 2

Name of Applicant	Indicative Settlement Amount
Mr. Amit Kumar Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 6,54,896.80/- (Rupees Six Lakh Fifty-Four Thousand Eight Hundred Ninety Six And Eighty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum.
Ms. Anjushree Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,91,141.60/- (Rupees Two Lakhs Ninety One Thousand One Hundred Forty One and Sixty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum.
Ms. Saroj Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,90,300/- (Rupees Two Lakhs Ninety Thousand Three Hundred) from the date of default till date of receipt of application @ 12 per cent simple interest per annum.

8. Thereafter, the Applicants, vide email dated March 29, 2024, submitted the revised settlement terms as tabulated below:

Table 3

Name of Applicant	Indicative Settlement Amount
Mr. Amit Kumar Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 6,54,896.80/- (Rupees Six Lakh Fifty-Four Thousand Eight Hundred Ninety Six and Eighty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 2,75,057/- (Rupees Two Lakhs Seventy Five Thousand Fifty Seven).
Ms. Anjushree Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,91,141.60/- (Rupees Two Lakhs Ninety One Thousand One Hundred Forty One and Sixty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 1,19,368/- (Rupees One Lakh Nineteen Thousand Three Hundred Sixty Eight).
Ms. Saroj Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,90,300/- (Rupees Two Lakhs Ninety Thousand Three Hundred) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 1,19,023/- (Rupees One Lakh Nineteen Thousand Twenty Three).

9. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on April 22, 2024 considered the revised settlement terms proposed by the Applicants. In this regard, the HPAC had recommended as under:

Table 4

Name of Applicant	Recommendations of the HPAC
Mr. Amit Kumar Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 6,54,896.80/- (Rupees Six Lakh Fifty-Four Thousand Eight Hundred Ninety Six and Eighty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 2,75,057/- (Rupees Two Lakhs Seventy Five Thousand Fifty Seven).
Ms. Anjushree Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,91,141.60/- (Rupees Two Lakhs Ninety One Thousand One Hundred Forty One and Sixty Paise) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 1,19,368/- (Rupees One Lakh Nineteen Thousand Three Hundred Sixty Eight).
Ms. Saroj Rathi	Rs. 45,50,000/- (Rupees Forty-Five Lakhs Fifty Thousand only) Disgorgement of notional profit of Rs. 2,90,300/- (Rupees Two Lakhs Ninety Thousand Three Hundred) from the date of default till date of receipt of application @ 12 per cent simple interest per annum of Rs. 1,19,023/- (Rupees One Lakh Nineteen Thousand Twenty Three).

10. The recommendations of the HPAC were approved by a Panel of Whole Time Members (hereinafter referred to as '**WTMs**') on June 10, 2024 and the same was communicated by SEBI to the Applicants vide email dated June 12, 2024. Subsequently, the Applicants informed SEBI about the remittance of the aforesaid settlement amount. The material on record confirms the receipt of the said settlement amount.

ORDER

11. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amounts as mentioned above by SEBI, the instant adjudication proceedings initiated against the Applicants vide Show Cause Notice ref no. SEBI/HO/EAD2/NH/RJ/2023/49324 dated December 07, 2023 are disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

12. This Settlement Order is, however, without prejudice to the right of SEBI to take actions under Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Applicants, if—

12.1. Any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;

12.2. The Applicants have breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings.

12.3. There was a discrepancy while arriving at the settlement terms.

13. This Settlement Order is passed on this day of July 12, 2024 and shall come into force with immediate effect.

14. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Date: July 12, 2024
Place: Mumbai

N HARIHARAN
CHIEF GENERAL MANAGER
AND ADJUDICATING OFFICER