

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SUMMARY SETTLEMENT ORDER
On Settlement Application No. 3392/2017

Filed by

1. Empire International Private Limited [PAN: AAACE3444P]
2. Arjun Transport Company Private Limited [PAN: AABCA5913E]
3. Satish Chandra Malhotra [PAN: AFBPM6023P]
4. S C Malhotra as Trustee of Empire Dyeing Employees Welfare Fund [PAN: AAEE0015A]
5. Dileep Malhotra [PAN: AFBPM6027K]
6. Ranjit Malhotra [PAN: AFBPM6026J]
7. Usha Devi Malhotra [PAN: AGSPM5468L]
8. Uma Malhotra [PAN: AABPM1326N]
9. Kabir Malhotra [PAN: AADPM6005A]
10. Anjali Malhotra [PAN: AUQPM3884L]

In the matter of Empire Industries Limited

1. Empire International Private Limited, Arjun Transport Company Private Limited, Satish Chandra Malhotra, S. C Malhotra as Trustee of Empire Dyeing Employees Welfare Fund, Dileep Malhotra, Ranjit Malhotra, Usha Devi Malhotra, Uma Malhotra, Kabir Malhotra and Anjali Malhotra (hereinafter referred to as ‘applicants’) filed a settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (‘Settlement Regulations’), without admitting the findings of fact and conclusions of law proposing to settle, through a settlement order, the proposed adjudication proceedings intimated vide Notice of Approved Enforcement Action dated March 31, 2017.
2. Securities and Exchange Board of India (‘SEBI’) had conducted an examination in the matter of Empire Industries Limited (herein after referred as “Target Company”). The examination *prima facie* revealed that the shareholding of the promoter group of Target Company had increased from 57.46% (during June, 2013 quarter) to 69.25% (during September, 2013 quarter) on account of re-classification of Arjun Transport Co. Pvt. Ltd.(a public shareholder) as promoter category shareholder. Due to the said re-classification, the applicants were required to make disclosures under Regulation 10(6), Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

3. The authorized representatives of the applicants had a meeting with the Internal Committee on December 28, 2018. During the said meeting, as the application was fulfilling the requirement of Chapter VIA of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, (hereinafter referred to as “Settlement Regulations”), the Internal Committee felt it appropriate that the application may be processed as per the Summary Settlement Procedure. Accordingly, a notice of summary settlement was issued on January 09, 2019, in terms of Regulation 14B (Summary Settlement Procedure) of the Settlement Regulations intimating the applicants that the aforesaid default may be settled and disposed of upon remittance of settlement amount of ₹6,83,226/- (Rupees Six Lakh Eighty Three Thousand Two Hundred Twenty Six Only) (amount arrived in terms of Settlement Regulations) within 10 working days from the date of receipt of the notice.
4. In reply, the applicants vide letter dated January 10, 2019, remitted a sum of ₹6,83,226/- (Rupees Six Lakh Eighty Three Thousand Two Hundred Twenty Six Only) towards the settlement charges by way of demand draft number 188097 dated January 09, 2019, drawn on Central Bank of India.
5. In view of the above and in terms of Regulations 14A(3) read with Regulation 15 and 19 of the Settlement Regulations read with Regulation 34(2)(a) of the SEBI (Settlement Proceedings) Regulations, 2018, it is hereby ordered that:
 - i. the proposed proceedings that could have been initiated for the defaults 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 proceedings that may be initiated for the defaults as mentioned above, in respect of the applicants and;
 - iv. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, 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.
6. This settlement order is passed on this 21st day of January, 2019 and shall come into force with

immediate effect.

7. In terms of regulation 25 of the SEBI (Settlement Proceedings) Regulations, 2018, a copy of this order shall be sent to the applicants and shall also be published on the website of SEBI.

-Sd-

S.K. MOHANTY
WHOLE TIME MEMBER

-Sd-

ANANTA BARUA
WHOLE TIME MEMBER