

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

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**SETTLEMENT ORDER**

On the Application No. 3138/2016

filed by

**Mr. E.V Muthukumara Ramalingam, Mr. Ganeshan P., Shree Vallee Enterprises P Ltd., Ms. Sasikala M., Mr. M.R. Gautham, Ms. Pallavi M., Mr. Arun G., Mr. Vishnu G., Ms. Muthulakshmi G., Ms. Sharmada Gautham in the matter of Velan Hotels Limited.**

**Settlement Order No: EAD/JS/SP/1-10/2017**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings against 1) E.V Muthukumara Ramalingam, 2) Mr. Ganeshan P., 3) Shree Vallee Enterprises P Ltd., 4) Ms. Sasikala M., 5) Mr. M.R. Gautham, 6) Ms. Pallavi M., 7) Mr. Arun G., 8) Mr. Vishnu G., 9) Ms. Muthulakshmi G., and 10) Ms. Sharmada Gautham (hereinafter referred to as '**Applicants/Promoters/Noticees**') in the matter of Velan Hotels Ltd. (hereinafter referred to as "**Velan/Company**") under Section 15H(ii) of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') for the alleged violations of Regulation 11 (2) read with Regulation 14(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as '**Takeover Regulations**').
2. In this regard, a common Show Cause Notice (hereinafter referred to as 'SCN') No. EAD-6/AK/VG/12403/2016 dated April 29, 2016 was served on Applicant. In the SCN, it was alleged that the Applicants shareholding in Velan had increased from 58.28% to 59.80% during March 2009- December 2009 due to off-market acquisition of 1,12,909 shares and failed to comply with Regulation 11(2) and Regulation 14(1) of the Takeover Regulations.
3. While the adjudication proceeding was in progress, the Applicants filed an application for settlement of the Adjudication Proceedings, in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**').
4. The Panel of Whole Time Members of SEBI accepted the recommendations of the High Powered Advisory Committee (HPAC) for payment of settlement amount of

Rs. 27,62,500/- (Rupees Twenty Seven Lakh Sixty Two Thousand and Five Hundred Only) and the same was communicated to the applicant vide email dated October 11, 2017.

5. The applicant vide Demand Draft no. 622510 dated October 23, 2017 drawn on Canara Bank have remitted of Rs. 27,62,500/- (Rupees Twenty Seven Lakh Sixty Two Thousand and Five Hundred Only) towards the settlement charges.
6. Now, in view of the acceptance of the settlement terms as proposed by the Applicants and upon receipt of aforesaid Demand Draft by SEBI, the pending adjudication proceedings initiated against the Applicants, under the aforesaid SCN dated April 29, 2016, is hereby disposed of in terms of regulation 15(1) of the Settlement Regulations. It is hereby ordered that:
  - i. this Settlement Order disposes of the said pending Adjudication Proceedings in respect of the Applicants as mentioned above and;
  - ii. passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Applicants, if SEBI finds that:
    - a. any representations made by the Applicant in the consent proceedings are subsequently discovered to be untrue;
    - b. the applicants breaches any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. This consent order is passed on this Eighth day of November, 2017 and shall come into force with immediate effect.
8. In terms of Regulation 17 of Settlement Regulations, copies of this order are being sent to the applicant and shall also be published on the website of SEBI.

**Date: November 08, 2017**  
**Place: Mumbai**

**JEEVAN SONPAROTE**  
**CHIEF GENERAL MANAGER &**  
**ADJUDICATING OFFICER**