

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 3411/ 2017)

On the application submitted by
M/s. Shree Vatsaa Finance and Leasing Limited
Settlement Order No. CFD/SVFL/EAD/AO/KS/CO-02/2018

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide Order dated May 16, 2017 initiated adjudication proceedings against M/s Shree Vatsaa Finance and Leasing Limited (hereinafter referred to as '**Noticee**') by appointing the undersigned as Adjudicating Officer to inquire into and adjudge under Section 23E of the Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as "**SCRA**") for the violation of the provisions under Clause 40A of the Listing Agreement read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as "**SCRR**") read with Section 21 of the SCRA alleged to have been committed by the Noticee.
2. Show Cause Notice no. SEBI HO/A&E/EAD/KS/VB/23376/2017 dated September 26, 2017 (hereinafter referred to as '**SCN**') was issued to the Noticee. It was observed that as per amended provisions of Rule 19A of the SCRR which came into force with effect from June 04, 2010, a time period of three years (i.e., on or before June 03, 2013) was offered to a listed company to maintain public shareholding of at least 25%. In view of the same, the due date for such compliance by Noticee, being a listed company was on June 03, 2013. However, Noticee had failed to comply with MPS requirement within the stipulated time i.e. June 03, 2013.

3. It was alleged that Noticee has complied with the MPS requirement, as stipulated under clause 40A of the Listing Agreement read with Rule 19A of the SCRR read with Section 21 of the SCRA on October 20, 2016.
4. The Noticee had submitted an application vide no. 3411/2017 dated November 27, 2017 and an undertaking in the format prescribed by SEBI for settlement of the matter in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**'). Pursuant to the said application, the settlement terms as proposed by the Noticee for an amount of Rs.6,80,000/- (Rupees Six Lakh Eighty Thousand Only) towards settlement charges was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on April 09, 2018. After considering the facts and circumstances of the case, the HPAC recommended that the case may be settled by the Noticee on payment of Rs.6,80,000/-. Thereafter, the recommendation of HPAC were approved by the panel of Whole Time Members of SEBI on May 02, 2018.
5. Accordingly, the Noticee has remitted a sum of Rs 6,80,000/- (Rupees Six Lakh Eighty Thousand only) vide cheque no 19961 dated May 09, 2018 drawn on Axis Bank Ltd favoring SEBI towards the terms of settlement in the matter.
6. In view of the above, in terms of Regulation 15 (1) of the Settlement Regulations, it is hereby ordered that this settlement order disposes of the adjudication proceedings initiated against the Noticee vide SCN dated September 26, 2017.
7. This order is without prejudice to the right of SEBI to take enforcement actions including commencing /re-opening of the pending proceedings against the Noticee, if SEBI finds that :

- a. any representation made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
8. In terms of Regulation 17 of the Settlement Regulations, copies of this order are being sent to the Noticee viz. Shree Vatsaa Finance and Leasing Limited and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: 16.05.2018

**K SARAVANAN
GENERAL MANAGER &
ADJUDICATING OFFICER**