

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER**  
**IN THE SETTLEMENT APPLICATION NO. 7161 OF 2023**  
**FILED BY MR. ANANTH P. PAI [PAN NO: AEHPP6816L] IN THE MATTER**  
**OF LOTUS CHOCOLATE COMPANY LIMITED**

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1. Mr. Ananth P. Pai (hereinafter referred to as “**Applicant**”) filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against him for the delayed compliance of:
  - i. Regulations 30(2) and 30(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**SAST Regulations, 2011**”) (since omitted on April 01, 2022) for the financial years 2011-12 to 2020-21,
  - ii. Regulations 31(4) and 31(5) of the SAST Regulations, 2011 for the financial years 2019-20 to 2021-22.
2. Brief facts of the case are as follows:
  - 2.1 The Applicant is a promoter of Lotus Chocolate Company Limited. The Applicant had acquired 1,000 equity shares in the physical form on September 07, 2011. The information regarding the said acquisition, as stated by the Applicant, was inadvertently not included in the Annual Disclosures filed under regulations 30(2) and 30(3) of the SAST Regulations, 2011 and regulations 31(4) and 31(5) of SAST Regulations, 2011.
  - 2.2 Hence, the Applicant filed revised disclosures under Regulations 30(2) and 30(3) of the SAST Regulations, 2011, for the financial years 2011-12 to 2020-21, after incorporating the particulars of aforementioned 1,000 equity shares in the aggregate shareholding of the promoter on February 02, 2023.

2.3 Furthermore, in respect of Regulations 31(4) and 31(5) of the SAST Regulations, 2011, the Applicant had filed revised disclosure for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022 on February 02, 2023.

3. In view of the aforesaid facts, the Applicant filed the present application for the purpose of settling the proceedings that may be initiated against it for the said non-compliances.
4. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on July 18, 2023 wherein the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide email dated July 20, 2023, the Applicant proposed revised settlement terms to settle any enforcement proceedings that may be initiated against him for the violations as stated above at paragraph 1.
5. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on September 08, 2023, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹3,00,000 (Rupees Three lakhs only). The recommendation of the HPAC was accepted by the Panel of Whole Time Members of SEBI on September 28, 2023. Subsequently, a Notice of Demand for the said amount was issued to the Applicant on October 26, 2023. The Applicant informed about the remittance of the aforesaid settlement amount on October 31, 2023 and SEBI has confirmed credit of the same.
6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicant on the following terms:

- i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
  - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:
    - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
    - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - (c) there was a discrepancy while arriving at the settlement terms.
7. This Settlement Order is passed on this 08<sup>th</sup> day of December, 2023 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/-

**ANANTH NARAYAN G.**  
**WHOLE TIME MEMBER**

Sd/-

**AMARJEET SINGH**  
**WHOLE TIME MEMBER**