

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No. 3596/2018

Filed by M/s. Shah Investor's Home Ltd. [PAN: AAFCS4436C]

1. M/s. Shah Investor's Home Limited (hereinafter referred to as "applicant") filed a *suo-moto* settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as 'Settlement Regulations') proposing to settle, without admitting the findings of fact and conclusions of law, through a settlement order, the non-compliance with Section 56, Section 67 and Section 73 of the Companies Act, 1956 and the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2009 (hereinafter referred to as "DIP Guidelines").
2. The applicant in the application submitted that it had made preferential allotment of its equity shares to 502 allottees on February 29, 2008. The said allotment was in violation of Section 56, Section 67 and Section 73 of the Companies Act, 1956 and the DIP Guidelines.
3. The applicant submitted that it had provided an exit offer to all eligible shareholders and also submitted a certificate of compliance with the requirement of the aforesaid SEBI Circular from an independent Chartered Accountant.
4. The authorized representatives of the applicant had a meeting with Internal Committee on February 26, 2019, wherein the settlement terms were deliberated. Thereafter, the applicant, vide letter dated March 02, 2019, proposed the revised settlement terms to settle the defaults mentioned above.

5. The High Powered Advisory Committee ('HPAC') in its meeting held on March 29, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹12,18,750/- (Rupees Twelve Lakh Eighteen Thousand Seven Hundred and Fifty only) by the applicant towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC on May 10, 2019, and the same was communicated to the applicant vide e-mail dated May 15, 2019.
6. The applicant vide Demand Draft No. 063497 dated May 16, 2019 drawn on HDFC Bank has remitted ₹12,18,750/- (Rupees Twelve Lakh Eighteen Thousand Seven Hundred and Fifty only) towards the settlement amount.
7. Accordingly, the possible proceedings that may be initiated for the defaults as discussed in paragraph 1 above, are settled *qua* the applicant as per the above terms, by way of this order and SEBI shall not initiate any enforcement action against the applicant for the said defaults.
8. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the proceedings that may be initiated for the defaults as mentioned above,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
 - iii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

9. This settlement order is passed on this 14th day of June, 2019 and shall come into force with immediate effect.
10. 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/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER