

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER UNDER REGULATION 14A(3) OF THE SECURITIES AND
EXCHANGE BOARD OF INDIA (SETTLEMENT OF ADMINISTRATIVE AND CIVIL
PROCEEDINGS) REGULATIONS, 2014

On Application No. SS-1 of 2018

In respect of Sanathnagar Enterprises Ltd. (PAN No. AAACB8317J)

And

In the matter of delayed compliance with minimum public shareholding

1. SEBI issued a notice of settlement dated June 19, 2018 under Regulation 14A of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as 'Settlement Regulations') to Sanathnagar Enterprises Ltd. (hereinafter referred to as 'applicant') in the matter of delayed compliance with Minimum Public Shareholding requirement. The said notice *prima facie* observed that the applicant had violated Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 21 of Securities Contracts (Regulation) Act, 1956 and that the applicant is liable to be proceeded against under Section 23E of the Securities Contracts (Regulation) Act, 1956. The notice further stated that the aforesaid proceedings (to be) initiated, may be settled and disposed of upon filing of a settlement application under the Settlement Regulations along with remittance of a settlement amount of ₹5,80,000/- (Rupees Five Lakh Eighty Thousand only) to SEBI in terms of Chapter VIA- Regulation 14A of the Settlement Regulations within 30 calendar days from the date of receipt of the notice.
2. Pursuant to the notice of settlement, the applicant, vide letter dated June 20, 2018, filed an application in terms of Chapter VIA of the Settlement Regulations along with the undertakings mentioned in the Settlement Regulations. Vide the said application the applicant proposed to settle through a settlement order, the proposed adjudication proceedings intimated to it vide the SEBI notice dated June 19, 2018. The applicant remitted a sum of ₹5,80,000/- (Rupees Five Lakh Eighty Thousand only) vide Demand Draft number 667316 dated June 19, 2018 drawn on Kotak Mahindra Bank towards the settlement charges.
3. In view of the remittance of the settlement amount and the undertaking furnished by the

applicant along with his application, we hereby order the proposed adjudication proceedings under Section 23E of the Securities Contracts (Regulation) Act, 1956 for the alleged default as discussed in paragraph 1 above, as settled *qua* the applicant. In this regard, SEBI shall not initiate any enforcement action against the applicant for the said default.

4. In view of the above and in terms of Regulations 14A(3) read with 15 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the said proposed adjudication proceedings in respect of the applicant as mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if it is found 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.
5. This settlement order is passed on this 28th day of June, 2018 and shall come into force with immediate effect.
6. In terms of regulation 17 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-

G. MAHALINGAM
WHOLE TIME MEMBER

-Sd-

MADHABI PURI BUCH
WHOLE TIME MEMBER