

SO/EFD-2/SD/276/MAR/2019

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application No. **3616 of 2018**

Filed by Starcom Information Technology Limited [PAN: AAACJ1380R]

in the matter of Starcom Information Technology Limited

1. Starcom Information Technology Limited (hereinafter referred to as ‘applicant’), in the matter of Starcom Information Technology Limited, filed a 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application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as ‘Settlement Regulations’), without admitting or denying the findings of fact and conclusions of law, proposing to settle, through a settlement order, the proposed adjudication proceedings intimated vide Notice of Approved Enforcement Action dated January 05, 2018, for the violation of provisions of Clause 40A of the Listing Agreement read with Rule 19A of Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as “SCRR”) read with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 (hereinafter referred to as “LODR”) read with Section 21 of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as “SCRA”).
2. It was observed upon examination by SEBI that Mr. Ziaulla Sheriff, promoter of the applicant company, acquired 17.52% of the total equity shares of the applicant on July 11, 2011. Consequently, the shareholding of Mr. Sheriff reached 88.72% as on July, 11, 2011. As per Rule 19 (A) (2) of the SCRR, the applicant had the time till July 21, 2012 to raise the public shareholding to comply with Minimum Public Shareholding (hereinafter referred to as “MPS”) norms. The applicant remained non-compliant with MPS norms from July 21, 2012 till August 22, 2017 and became compliant only on August 23, 2017.
3. Pursuant to the application, the authorized representatives of the applicant had a

meeting with the Internal Committee of SEBI on December 28, 2018, wherein the settlement terms were deliberated. Thereafter, the applicant, vide letter dated January 03, 2019, proposed the revised settlement terms to settle the defaults mentioned above.

4. The High Powered Advisory Committee ('HPAC') in its meeting held on January 30, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of ₹6,80,000/- (Rupees Six Lakh Eighty Thousand 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 March 11, 2019, and the same was communicated to the applicant vide e-mail dated March 13, 2019.
5. The applicant vide Demand Draft No. 526470 dated March 19, 2019 drawn on Indian Bank has remitted ₹6,80,000/- (Rupees Six Lakh Eighty Thousand only) towards the settlement amount.
6. 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. the proposed adjudication proceedings for the alleged default as discussed in paragraph 1 above, are settled *qua* the applicant as per the above terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
 - iii. this order disposes of the said proposed adjudication proceedings in respect of the applicant as mentioned above and;
 - iv. 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 have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

- 7. This settlement order is passed on this 28th day of March, 2019 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/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER