

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On the Application No. 2947 of 2015

Submitted by **M/s South India House Estates and Properties Limited (earlier known as 'M/s South India House Investments Private Limited') and Others**

In the matter of M/s Automobile Products of India Limited

1. A Settlement Application dated June 22, 2015 in terms of the SEBI (Settlement of Civil and Administrative Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**') was filed by 21 Applicants namely, 1) M/s South India House Estates and Properties Limited (Earlier known as 'M/s South India House Investments Private Limited'), 2) M/s Elliot Investment Limited, 3) M/s Success Investments Limited, 4) M/s ACM Educational Foundation, 5) M/s Sanchay Holdings Private Limited, 6) M/s South India Travels Private Limited, 7) Dr. A C Muthiah, 8) Mr. R Sivagurunathan, 9) Mr. D Silva, 10) Mr. M Rajamani, 11) Mr. K Gopalkrishnan, 12) Mr. S Arumugam 13) Mr. V Rajagopal, 14) Mr. B Narendran, 15) Mr. S Pichiah, 16) Mr. V Ganesh, 17) Mr. G R Kannan, 18) Mr. S Swaminathan, 19) Mr. V Srinivasamurthy, 20) Mr. K S Kirushnamani, 21) Mr. M S Vijayasekaran on their behalf and also on behalf of other 32 Applicants namely, 22) M/s Agnes Bruno Limited, 23) M/s Everest Investments Limited, 24) Mr. M A Chidambaram, 25) Mr. V Chidambaram, 26) Ms. Devaki Muthiah, 27) Mr. Ashwin Muthiah, 28) M/s Southern Scooters Private Limited (Now Known as 'M/s R & M Industries Private Limited'), 29) M/s South India Corporation Agencies Limited, 30) Mr. Opilal Chidambaram 31) M/s South India Holdings Private Limited, 32) Mr. Kalpakam, 33) M/s Armenian Investments Limited, 34) M/s Sydenham Investments Private Limited, 35) Ms. Seetha Chidambaram, 36) M/s MAC Packaging, 37) Mr. T K Dhananjayan, 38) Mr. K Singaram, 39) M/s Rajkala Enterprises, 40) M/s Trade and Commerce, 41) M/s Imperial Distributors, 42) M/s Jupiter Dye Chem Private Limited, 43) M/s Swaraj Trading & Agencies Limited, 44) M/s Sarvamangala Mercantile Co., 45) M/s Tiger Agencies, 46) M/s S V Trading & Agencies Limited, 47) Mr. Noshiar Desai, 48) M/s Technical Services Private Limited, 49) Mr. Ranjitsingh P Gaekwad, 50) Mr. B M Sanjiva Rao, 51) Mr. Amrithavalli Singaram, 52) Mr. SRMS Narayana Chettiar and 53) Mr. Umayal Aachi, [hereinafter collectively referred to as '**Applicants**'] who were Persons

Acting in Concert (PACs) and the erstwhile promoters of M/s Automobile Products of India Limited. The Applicants vide said settlement application proposed to settle, through a settlement order, the pending adjudication proceedings for the alleged violations of the provisions of Regulation 7(1) & 7(1A) read with Regulation 7(2) and Regulations 10, 11(2) & 12 read with Regulation 14 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as '**SAST Regulations, 1997**') with respect to the transactions executed in the years 1997, 2002, 2005, 2006, 2007 & 2010 as more specifically detailed in the Show Cause Notices (SCNs) dated December 17, 2013 & supplementary SCN dated January 16, 2015 issued to all these 53 Applicants by the Adjudicating Officer. The said settlement application is also filed to settle the possible proceedings that can be initiated for the violation of provision of Regulation 7(1) read with Regulation 7(2) of SAST Regulations, 1997 against Applicant no. 8 to Applicant no. 21 for their acquisition on January 04, 2006.

2. The representatives of the Applicants had a meeting with the Internal Committee of SEBI on June 16, 2016 and September 22, 2016, wherein the settlement terms proposed by the Applicants was deliberated. Thereafter, the Applicants vide their letter dated September 22, 2016 proposed the revised settlement terms to settle the defaults mentioned in para 1 above.
3. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**'), considered the settlement terms proposed by the Applicants in its meeting held on September 29, 2016 and recommended the case for settlement upon payment of Rs. 1,97,33,551/- (Rupees One Crore, Ninety Seven Lakh, Thirty Three Thousand, Five Hundred and Fifty One only) by the Applicants towards settlement terms for the aforementioned default. The Panel of Whole Time Members of SEBI had accepted the said recommendation of the HPAC and the same was communicated to the Applicants vide e-mail dated December 08, 2016.
4. Accordingly, the Applicants vide Demand Draft no. 557283 dated December 15, 2016, drawn on Union Bank of India, payable at Mumbai have remitted a sum of Rs. 1,97,33,551/- (Rupees One Crore, Ninety Seven Lakh, Thirty Three Thousand, Five Hundred and Fifty One only) towards the settlement charges.
5. As the instant settlement application is filed for the settlement of pending Adjudication

Proceedings and also the possible proceedings that may be initiated by the SEBI for the transaction dated January 04, 2006 as mentioned in para-1 above, in exercise of powers under Regulation 15(2) of Settlement Regulations, all the aforesaid violations are settled *qua* the Applicants as per the above terms, by way of this order and SEBI shall not proceed with or initiate any enforcement action against the Applicants for the said defaults.

6. In view of the above, in terms of regulation 15(2) and regulation 19 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the said pending adjudication proceedings and also the possible proceedings in respect of the Applicants as mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including reopening the pending adjudication proceedings and commencing the other possible proceedings against the Applicants, if SEBI finds that:
 - a. any representations made by the Applicants in these settlement proceedings are subsequently discovered to be untrue;
 - b. the Applicants has breached any of the clauses/ conditions of undertakings/ waivers filed during the current settlement proceedings.
7. This settlement order passed on this 17th day of January, 2017 shall come into force with immediate effect.
8. In terms of Regulation 17 of the Settlement Regulations, a copy each of this order shall be sent to the Applicants and shall also be published on the website of SEBI.

S. RAMAN
WHOLE TIME MEMBER

G. MAHALINGAM
WHOLE TIME MEMBER