

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER No. SO/AK/2024-25/7732**

In respect of:

Name of the applicant	Application No.	PAN of the applicant
Kalyani Investment Company Limited	7732/2024	AADCK8222C

In the matter of Kalyani Investment Company Limited

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings under SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") and Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as "**SCRA**") against the applicant for alleged violation of following;
 - a) Clause 49 (IV)((A)(i) of SEBI Circular SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 r/w Regulation 103 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **LODR Regulations**) and Section 21 of SCRA, and;
 - b) Clause 49(VII)((D) of the SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 r/w SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 r/w Regulation 103 of the LODR Regulations and Section 21 of SCRA.
2. SEBI appointed Mr. Biju S as the Adjudicating Officer (AO), vide communicate dated February 26, 2024, u/s 19 of the SEBI Act read with Sub-section (1) of Section 15-I of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') and Section 23 I of the SCRA and Rule 3 of Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 to inquire into and adjudge u/s 15HB of SEBI Act for violations of SEBI Circulars read with LODR

Regulations and Section 23H of SCRA for violation of listing agreement. Pursuant to the transfer of Mr. Biju S, vide communique dated July 31, 2024, Ms. Asha Shetty was appointed as AO in the matter. Subsequently, vide communique dated December 10, 2024, undersigned was appointed as AO in the matter.

3. A Show Cause Notice dated March 19, 2024 (hereafter referred to as “**SCN**”) was issued to the Applicant in terms of the provisions of Rule 4(1) of the Adjudication Rules, 1995 r/w Section 15-I of SEBI Act calling upon the Applicants to show cause why an inquiry should not be held and penalty not imposed, u/s 15HB of the SEBI Act and under 23H of the SCRA against the Applicant for the alleged violation of the aforesaid provisions. The said SCN was issued to the Applicant as the Applicant failed to ensure the following compliances-

- a) Applicant failed to place the summary of related party transaction entered between applicant and Kalyani Steels Limited (KSL) on March 27, 2014, before its Audit Committee with respect to purchase of Non-Cumulative Optionally Convertible Preference Shares (NCOCPS) of Lord Ganesha Minerals Private Limited (LGMPL).
- b) Applicant failed to take prior approval of its Audit Committee for the related party transaction entered between Applicant and KSL on September 16, 2015 with respect to purchase of NCOCPS of LGMPL.
- c) Applicant failed to take prior approval from its Audit Committee for the related party transaction entered between Applicant and KSL on September 04, 2015 with respect to purchase of Non-Cumulative Redeemable Preference Shares (NCRPS) of Kalyani Mining Ventures Pvt Ltd (KMVPL).
- d) Applicant failed to place the summary of related party transaction entered between the Applicant and Azalea Enterprises Private Limited (AEPL) on March 27, 2014 and April 04, 2014 before its Audit Committee with respect to purchase of Fully Convertible Debentures (FCDs) of AEPL.

- e) Applicant failed to place the summary of related party transaction entered between Applicant and Kalyani Steels Limited (KSL) before its Audit Committee with respect to the Inter Corporate Deposits (ICDs) advanced by Applicant to KSL during the period December 27, 2013 to March 19, 2014.
 - f) Applicant failed to place the summary of related party transaction entered between Applicant and KSL Holdings Pvt Limited (KSLHPL) before its Audit Committee with respect to investment in NCRPS of KSLHPL on July 28, 2012.
 - g) Applicant failed to place the summary of related party transaction entered between the Applicant and Gloxinia Investment Finance Limited (GIFL) before its Audit Committee with respect to its investment in FCDs of GIFL on March 24, 2012.
 - h) Noticee failed to take prior approval of its Audit Committee for the related party transaction entered between Applicant and Vishwasarh Finance Private Limited (VFPL) on September 07, 2015 with respect to sale of FCDs of GIFL to VFPL.
4. Pending Adjudication Proceedings, the Applicant proposed to settle the instant proceedings initiated against it, without admitting or denying the facts and conclusions of law, through a settlement order and filed a settlement application with SEBI, bearing Application No. 7732/2024 dated April 18, 2024, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).
5. After attending meeting with the Internal Committee of SEBI on July 29, 2024 and August 27, 2024 in terms of the Settlement Regulations, applicant, vide an email dated September 05, 2024 proposed revised settlement terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on September 30, 2024, considered the settlement terms proposed and recommended that the case may be settled upon payment of INR 1,11,80,000/-

(Rupees One Crore Eleven Lakh Eighty Thousand Only) by the applicant as settlement amount towards the settlement terms. Further, the HPAC recommended that the applicant may be advised to place the Show Cause Notice in the present matter before its present Audit Committee for information.

6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on November 11, 2024 and the same was communicated by SEBI to the Applicant on November 14, 2024. The applicant was advised to submit an ATR by November 28, 2024. Accordingly, the applicant submitted the ATR dated November 25, 2024 and the same has been accepted as compliance with the recommendation of HPAC.
7. Notice of demand was issued to the applicant, vide email dated December 10, 2024. Applicant, vide email dated December 13, 2024, informed about the remittance of the settlement amount, the receipt of which is confirmed.
8. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the adjudication proceedings initiated against Applicant vide SCN dated March 19, 2024 is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations.
9. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect of which the settlement order is passed against the applicants, if:
 - i. It comes to the notice of the Board that the applicant has not made full and true disclosure;
 - ii. Applicant has violated the undertakings or waivers:
10. This settlement order is passed on this day of **20th December, 2024** and shall come into force with immediate effect.

11. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicant viz. Kalyani Investment Company Limited and also to SEBI.

Date: December 20, 2024

Place: Mumbai

AMIT KAPOOR

ADJUDICATING OFFICER