



To,
The Assistant Manager,
National Stock Exchange of India Limited
Listing Department, 'Exchange Plaza',
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051

To,
The General Manager,
BSE Limited,
Corporate Relationship Department,
1st floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

19 November 2022

Sub: Announcement under Regulation 30 of SEBI LODR - Intimation of receipt of Settlement Order from SEBI in the matter of Show Cause notice dated 03 February 2022

**Ref: NSE Symbol and Series: KOLTEPATIL and EQ
BSE Code and Scrip Code: 9624 and 532924**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and in continuation of the disclosure made by the Company dated 04 February 2022, this is to inform that the Company has received a Settlement Order No. SO/AN/HP/2022-23/6769,6808-09 dated 18 November 2022 ("Settlement Order") from the Securities and Exchange Board of India in the matter of Show Cause Notice dated 03 February 2022 regarding alleged violations of SEBI LODR. Vide the Settlement Order the charges contained in the said Show Cause Notice against the Company and its erstwhile Directors Mr. G.L. Vishwanath and Ms. Manasa Vishwanath have been disposed of in terms of Section 15JB of the SEBI Act, 1992 and 23JA of SCRA read with Regulations 23(1) of Settlement Regulations without admission or denial of findings of fact and conclusions of law contained in the Show Cause Notice.

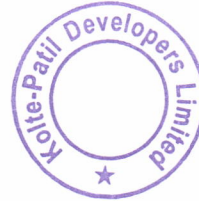
The settlement terms include payment of an amount of INR 41,92,500 in respect of the Company and INR 10,72,500 each on behalf of the erstwhile Directors. There is no material impact of such settlement on the financial position of the Company.

The Settlement Order is enclosed herewith for reference.

This is for your information and record.

For Kolte-Patil Developers Limited

Vinod Patil
Company Secretary and Compliance Officer
Membership No. A13258



Encl: As above

KOLTE-PATIL DEVELOPERS LTD.

CIN : L45200PN1991PLC129428

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**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

SETTLEMENT ORDER

S. No.	Settlement Application No.	Name of Applicant	PAN
1.	6769/2022	Kolte-Patil Developers Limited	AAACK7310G
2.	6808/2022	Mr. G. L. Vishwanath	AAGPV1493C
3.	6809/2022	Ms. Manasa Vishwanath	ABXPR4968A

IN THE MATTER OF M/S. KOLTE-PATIL DEVELOPERS LIMITED

Settlement Order No. SO/AN/HP/2022-23/6769, 6808-09

1. Kolte-Patil Developers Limited (Applicant No. 1), Mr. G. L. Vishwanath (Applicant No. 2), Ms. Manasa Vishwanath (Applicant No. 3), said three applicants collectively referred to as 'Applicants', filed Settlement Applications (Application Number being as in Table above) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order, the pending adjudication proceedings initiated vide Show Cause Notice No. EAD-5/MC/RM/4508/2022 dated February 03, 2022 ('SCN' / 'said SCN'), under and for alleged violation of the following provisions, as per details herein under:

- 1.1. Kolte-Patil Developers Limited: Adjudication Proceedings initiated under Section 23E of Securities Contracts (Regulation) Act, 1956 (hereinafter referred as, 'SCRA') for alleged violations of Regulation 16(b)(iii), 17(10), 17(11), 17(1)(a), 18(1)(b), 23, 30(2) and 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as, 'LODR Regulations').

Settlement Order in respect of Kolte-Patil Developers Limited and two other applicants in the matter of Kolte-Patil Developers Limited

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- 1.2. Mr. G. L. Vishwanath: Adjudication Proceedings initiated under Section 15HB of SEBI Act, 1992 (hereinafter referred as, 'SEBI Act') for alleged violation of Regulation 25(8) of LODR Regulations.
- 1.3. Ms. Manasa Vishwanath: Adjudication Proceedings initiated under Section 15HB of SEBI Act for alleged violation of Regulation 25(8) of LODR Regulations.
2. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had conducted off-site monitoring of Kolte Patil Developers Limited ('KPDL' / 'Company'). Pursuant to examination in the matter, violations of provisions of LODR Regulations were observed. In view of the findings of the examination by SEBI, adjudication proceedings were initiated vide said SCN dated February 03, 2022 (reference details at para 1.1 – 1.3 above).
3. Ms. Maninder Cheema, CGM was appointed as Adjudicating Officer under Section 15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Section 23-I of SCRA read with Rule 3 of Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing penalties) Rules, 2005 (hereinafter be referred to as, the 'Adjudication Rules'), vide communique dated November 09, 2021 to inquire into and adjudge under section 15HB of SEBI Act and section 23E of SCRA, the aforesaid alleged violations. Consequent to transfer of Ms. Maninder Cheema, Dr. Anitha Anoop, CGM was appointed as Adjudicating Officer vide Communique dated June 07, 2022. Pursuant to transfer of Dr. Anitha Anoop, undersigned was appointed as Adjudicating Officer (hereinafter referred to as 'AO') vide communique dated September 05, 2022.
4. A Show Cause Notice No. EAD-5/MC/RM/4508/2022 dated February 03, 2022 was served upon the applicants under Rule 4(1) of the Adjudication Rules read with Section 15-I of SEBI Act and Section 23-I of SCRA. The following was inter-alia alleged in the said SCN:



4.1. Wrong disclosures made in the Half Yearly Related Party Transactions (RPT):

It was alleged that KPDL made wrong disclosures of Related Party Transactions (RPT/RPTs) on three occasions in two half yearly disclosures of financial years 2018-19 and 2019-20. The aforesaid half-yearly RPT disclosures were made prior to disclosures in the Annual Report and the wrong disclosures made in the Half-yearly RPT disclosures were subsequently rectified in the Annual Reports of the company. In view of the above, Kolte-Patil Developers Limited alleged to have violated provisions of Regulation 23(9) of LODR Regulations.

4.2. Delayed disclosure of Amendments to AoA and MoA

It was alleged that the amendments to Memorandum of Association (MoA) and Articles of Association (AoA) were passed vide shareholder resolution dated March 22, 2019, however, the Company disclosed the amended MoA and AoA only on May 30, 2019, instead of within 24 hours, as required. By not disclosing amendments to MoA and AoA within 24 hours from passing of shareholder resolution dated March 22, 2019, Kolte-Patil Developers Limited allegedly violated provisions of Regulation 30(2) and Regulation 30(6) of the LODR Regulations.

4.3. Non compliances in regard to Independent Directors

Regulation 16(1)(b)(iii) of the LODR Regulations specifies that an independent director should not be related to promoters / directors of the Company / holding / subsidiary / associate company. However, two independent directors on the board of the Company, viz. Mr. G.L. Vishwanath and Ms. Manasa Vishwanath were directly related to each other, being husband and wife. Therefore, Kolte-Patil Developers Limited allegedly violated Regulation 16(1)(b)(iii) of LODR Regulations.



4.4. Obligations with respect to Independent Directors

The Company had submitted the declarations of the two Directors viz. Mr. G.L. Vishwanath and Ms. Manasa Vishwanath, wherein both the said Directors have certified that they comply with all the criteria of Independent Director. It was alleged that the declaration of the said Directors is factually not correct as both the said Directors are directly related to each other. In view thereof, it was alleged that Mr. G.L. Vishwanath and Ms. Manasa Vishwanath have violated Regulation 25(8) of LODR Regulations.

4.5. As detailed in above paragraphs the said two Directors i.e. Mr. G.L. Vishwanath and Ms. Manasa Vishwanath are directly related, hence, the evaluation of the Board of Directors of Kolte-Patil Developers Limited is not in compliance with Regulation 17 (10) (b) of the LODR Regulations. Hence, Kolte-Patil Developers Limited was allegedly in violation of Regulation 17 (10) (b) of LODR Regulations.

4.6. In a copy of minutes of AGM dated September 21, 2019, it is mentioned that the directors meet the criteria for independence and are eligible for appointment as independent directors of the Company. However, the said two Directors (Mr. G.L. Vishwanath and Ms. Manasa Vishwanath) are directly related to each other, hence, it was alleged that the submission of Kolte-Patil Developers Limited is not in the compliance with Regulation 17(11) of LODR Regulations. Therefore, it was alleged that Kolte-Patil Developers Limited has violated Regulation 17 (11) (b) of LODR Regulations.

4.7. As per the details submitted by the company vide its email dated July 12, 2021, the company had five Executive Directors and seven Non-Executive Directors. Since, Mr. G.L. Vishwanath and Ms. Manasa Vishwanath are related (husband-wife), it was alleged in the SCN that both of them cannot be considered as independent. However, in such case there is no



independent woman director on board of Kolte-Patil Developers Limited as required under Regulation 17(1)(a) of LODR Regulations. The company is among the top 1000 listed entity on the basis of market capitalization. In view of the above, it was alleged that Kolte-Patil Developers Limited did not have an independent woman director on its board of Directors in violation of Regulation 17(1)(a) of LODR Regulations.

- 4.8. As per the details submitted by the company vide its email dated July 12, 2021, Audit Committee of Kolte-Patil Developers Limited comprised of nine members. Hence, as per Regulation 18(1)(b) of LODR Regulations, six members have to be independent directors. In this regard, it was alleged that Mr. G.L. Vishwanath and Ms. Manasa Vishwanath are related (husband-wife), hence, both of them cannot be considered as independent. In such case, there are only four independent directors in the audit committee which is less than the stipulated two-third members of audit committee being independent directors. In view of the above, it was alleged that Kolte-Patil Developers Limited did not have minimum number of independent directors in the audit committee, and therefore has violated Regulation 18(1)(b) of LODR Regulations.
5. Pending adjudication proceedings initiated vide Show Cause Notice No. EAD-5/MC/RM/4508/2022 dated February 03, 2022, Settlement Applications (Applicant No. 1: Dated February 15, 2022 and Applicant No. 2 and No. 3: Dated March 22, 2022) had been filed by the applicants with SEBI under SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as, 'Settlement Regulations') proposing to settle the instant proceedings, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order.
6. The said applications were placed before the Internal Committee of SEBI (hereinafter also referred to as, the "IC") in its meeting held on May 19, 2022. Pursuant to the IC meeting, the Applicants submitted revised settlement terms (RST).



7. The Internal Committee on consideration of the facts and circumstances of the case, material brought before it, factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations, in its meeting held on May 19, 2022 noted that the RST proposed by the applicants (i.e., Rs. 41,92,500/- being indicative amount for Applicant No. 1 viz., KPDL and Rs. 10,72,500/- each for Applicant No. 2 and Applicant No. 3 viz., Mr. G.L. Vishwanath and Ms. Manasa Vishwanath) were in line with the amount formulated as per the Settlement Regulations and recommended the applications for settlement. Thereafter, the settlement applications were placed before the High Powered Advisory Committee (hereinafter be referred to as, the "HPAC") for its consideration.
8. The HPAC in its meeting held on July 21, 2022, agreed with the recommendations of the IC and recommended that the request of the applicants for settlement may be accepted (viz., the matter be settled upon payment of Rs.41,92,500/- (Rupees Forty One Lakh Ninety Two Thousand Five Hundred only), Rs.10,72,500/- (Rupees Ten Lakh Seventy Two Thousand Five Hundred only) and Rs.10,72,500/- (Rupees Ten Lakh Seventy Two Thousand Five Hundred only) by Kolte-Patil Developers Limited, Mr. G.L. Vishwanath and Ms. Manasa Vishwanath respectively, as settlement amount). The recommendation of the HPAC was approved by a Panel of the Whole Time Members of the SEBI on September 06, 2022. Subsequently, the Notice of Demand were issued to the applicants vide email dated September 09, 2022.
9. The applicants had remitted the settlement amounts using the online payment module on September 23, 2022 {Settlement Amount of Rs.41,92,500/- (Rupees Forty One Lakh Ninety Two Thousand Five Hundred only) in respect of Applicant No. 1} and on October 06, 2022 {Settlement Amount of Rs.10,72,500/- (Rupees Ten Lakh Seventy Two Thousand Five Hundred only) each in respect of Applicant No. 2 and 3}.



The remittance of the settlement amounts was confirmed by the concerned department of SEBI.

10. Therefore in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant Adjudication Proceedings initiated against Kolte-Patil Developers Limited, Mr. G. L. Vishwanath and Ms. Manasa Vishwanath vide aforesaid Show Cause Notice No. EAD-5/MC/RM/4508/2022 dated February 03, 2022, are hereby disposed of in terms of Section 15JB of the SEBI Act and Section 23JA of SCRA read with Regulation 23(1) of Settlement Regulations.
11. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the SEBI (Settlement Proceedings) Regulations, 2018, including restoring or initiating the proceedings in respect of which this settlement order is passed against the Applicant(s), if SEBI finds that:
 - i. any representation(s) made by the applicants in the present Settlement Proceedings is subsequently found to be untrue, or
 - ii. the applicants breaches any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings, or
 - iii. there was a discrepancy while arriving at the settlement terms.
12. This Settlement Order is passed on this 18th day of November 2022 and shall come into force with immediate effect.
13. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, a copy of this Order shall be sent to the applicants and also be published on website of SEBI.

Date: November 18, 2022

Place: Mumbai



AMAR NAVLANI
ADJUDICATING OFFICER