

**Sebi provides some compliance exemption to LEDO Tea Company for delisting**

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NEW DELHI: Markets regulator Sebi on Monday granted exemption to LEDO Tea Company Ltd from compliance with certain provisions of delisting norms for voluntary delisting of equity shares.

The firm is listed on the BSE.

Sebi had received an application from the firm in January 2021 seeking exemption from the applicability of certain provisions of delisting norms.

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The requirement for receiving consent of the shareholders holding at least 90 per cent of public shareholding of a company, as mandated under the Delisting Regulations, has been relaxed.

Sebi noted that the firm has made repeated efforts to reach out to the shareholders and despite having made efforts, it has not been able to contact a majority of the public shareholders.

The regulator also noted that the company is in financial distress and has reported losses in the past few years.

It has been suffering from losses due to overall poor market conditions in the tea industry and also on account of its small size of production, it added.

"It is also observed that the company has undertaken to safeguard the interest of the residual public shareholders by stating that the promoters will accept the shares tendered by any public shareholder of the company for a period up to two years from the date of delisting," Sebi said. It shall also provide the exit to those shareholders who wish to tender his/her shares at any point of time after the delisting of the equity shares, it added.

It is a fit case to relax the strict requirement of compliances required under Delisting Regulations, it further said.

This, however, is subject to certain conditions that include that the offer price be paid to tendering shareholders.

In another order, Sebi has levied a total fine of Rs 31 lakh on officials of Tree House Education and Accessories Ltd. The penalty has been imposed on them for trading in the shares of the company while in possession of unpublished price-sensitive information (UPSI) and for violating minimum standards for code of conduct to regulate, monitor and report trading by insiders.

They have also been restrained from accessing the securities market for one year.

Sebi noted that Rajesh Bhatia being the managing director of Tree House had discussed the proposal of merger of Zee Learn Ltd with Tree House Education and Accessories on November 30, 2015. It was announced upon consideration and approval by the board of the company on December 4, 2015.

Meanwhile, Bhati and his wife Geeta Bhatia, who was also a director of the firm, traded and executed sale of 40 lakh shares of the company on December 3, 2015, just a day prior to the public announcement of the proposed merger.

Through a separate order, Sebi has passed certain directions against officials of Tara Jewels for acting in contravention of the Prohibition of Insider Trading norms.

The National Company Law Tribunal has approved the liquidation of the company and has appointed a liquidator for the purpose.

During the period of investigation, Rajeev Vasant Sheth was promoter as well as the chairman-cum-managing director of the firm, and his daughters -- Aarti Sheth and Divya Sheth -- were holding the position of 'vice president-business development and vice-president-product development'.

They traded in the shares of the company when in possession of UPSI related to quarterly financial results.

Rajeev has unlawfully avoided a notional loss of Rs 1.26 crore, Aarti Rs 2.09 lakh and Divya Rs 9.62 lakh through their dealings in the scrip of the company.

Sebi has directed them to disgorge the respective amounts along with interest of 12 per cent per annum from November 30, 2017, till the date of actual payment.

They have also been barred from accessing the securities market for varying periods and are facing penalty totalling Rs 52 lakh for violating market norms.