

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

*CO/ISD/2346/2011/AO/PG/EAD-05/55/2012*

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**CONSENT ORDER**

**In respect of**

**Peacock Industries Limited (PAN: AAACP7155N)**

**In the matter of M/s Peacock Industries Limited**

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an examination into the affairs relating to dealing in the shares of M/s Peacock Industries Limited (hereinafter referred to as 'Noticee'). During the investigation, following was observed:
  - i. While the shareholding of M/s Dawood Investment Pvt. Ltd. (hereinafter referred to as 'DIPL') in the Noticee increased from 1.25% to 5.76% of total paid up capital of the noticee upon acquisition of 7,00,000 shares in the off market on March 26, 2009 and that the DIPL made the required disclosure to the Noticee on March 27, 2009 under regulation 13(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as 'PIT Regulations'), Noticee failed to make the required disclosure in the prescribed format within 5 days from the date of receipt of disclosure from DIPL to the stock exchange i.e. BSE and NSE as stipulated under regulation 13(6) of PIT Regulations.
  - ii. After the aforesaid acquisition, DIPL while crossing the threshold limit of 5% specified under regulation 7(1) of SEBI (Substantial Acquisition of Shares & Takeover) Regulations 1997 (hereinafter referred to as

'SAST Regulations') made the required disclosure to the Noticee on March 27, 2009 under regulation 7(1) read with regulation 7(2) of SAST Regulations, Noticee failed to disclose the aggregate number of shares held by DIPL to the stock exchange i.e. BSE and NSE within 7 days from the date of receipt of disclosure from DIPL as stipulated under regulation 7(3) SAST Regulations,

- iii. While the shareholding of Park Continental Limited (hereinafter referred to as 'PCL') in the Noticee decreased from 13.85% to 9.34% of total paid up capital of the noticee upon selling of 7,00,000 shares in the off market to DIPL on March 26, 2009 and that the PCL made the required disclosure to the Noticee on March 27, 2009 under regulation 13(3) read with regulation 13(5) of PIT Regulations, Noticee failed to make the required disclosure in the prescribed format within 5 days from the date of receipt of disclosure from PCL to the stock exchange i.e. BSE and NSE as stipulated under regulation 13(6) of PIT Regulations.
- iv. While the shareholding of PCL in the Noticee increased from 9.34% to 10.34% of total paid up capital of the noticee upon acquisition of 1,53,570 shares from the market on June 30, 2009 and that the PCL made the required disclosure to the Noticee on June 30, 2009 under regulation 7(1) read with regulation 7(2) of SAST Regulations, Noticee failed to disclose the aggregate number of shares held by PCL to the stock exchange i.e. BSE and NSE within 7 days from the date of receipt of disclosure from PCL as stipulated under regulation 7(3) SAST Regulations,
- v. While the shareholding of PCL in the Noticee increased from 10.34% to 14.29% of total paid up capital of the noticee upon acquisition of 6,13,014 shares from the market on March 31, 2010 and that the PCL made the required disclosure to the Noticee on March 31, 2010 under regulation 13(3) read with regulation 13(5) of PIT Regulations,

Noticee failed to make the required disclosure in the prescribed format within 5 days from the date of receipt of disclosure from PCL to the stock exchange i.e. BSE and NSE as stipulated under regulation 13(6) of PIT Regulations.

- vi. After the aforesaid acquisition, PCL while crossing the threshold limit of 14% specified under regulation 7(1) of SAST Regulations made the required disclosure to the Noticee on March 31, 2010 under regulation 7(1) read with regulation 7(2) of SAST Regulations, Noticee failed to disclose the aggregate number of shares held by PCL to the stock exchange i.e. BSE and NSE within 7 days from the date of receipt of disclosure from PCL as stipulated under regulation 7(3) SAST Regulations.

2. Consequently, SEBI vide order dated March 15, 2011 appointed Shri Parag Basu as Adjudicating Officer for inquiring into and adjudging the alleged violation of regulation 13(6) of PIT Regulations and regulation 7(3) SAST Regulations by the Noticee and a notice to Show Cause EAD-7/PB/AK/13686/2011 dated April 28, 2011 was issued to the Noticee calling upon to show cause as to why an inquiry should not be held against the Noticee in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15I of SEBI Act, 1992 and penalty be not imposed under Section 15 A(b) of SEBI Act for the aforesaid alleged contravention of the provisions of the PIT Regulations and SAST Regulations. Subsequently, upon the transfer of Shri Parag Basu the undersigned has been appointed as Adjudicating Officer, in the present matter, vide order dated August 16, 2012.

3. While the adjudication proceedings were in progress, an application for Consent Order dated June 24, 2011 in respect of the aforesaid proceedings

before SEBI was submitted by the Noticee along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20<sup>th</sup> April, 2007. The Noticees, vide letter dated April 23, 2012 proposed `2,00,000/- (Rupees two lakh only) as revised consent terms.

4. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on May 30, 2012. The HPAC, after considering the facts and circumstances of the matters under consent, consent terms offered by the Noticees & the materials brought before it by SEBI, recommended that the case may be settled on payment of `2,00,000/-(Rupees two lakh only) towards settlement charges as proposed by the applicant. Thereafter, SEBI vide its letter dated September 4, 2012 communicated to the noticee about acceptance of its revised consent terms and advised it to pay the amount accordingly. The Noticee has remitted a sum of `2,00,000/-(Rupees two lakh only), vide Demand Draft no. 220384 dated September 25, 2012 drawn on ICICI Bank towards the terms of consent in the matter.
5. In view of above, it is hereby ordered that,
  - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992 and
  - ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
    - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
    - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

6. This consent order is passed on October 04, 2012 and shall come into force with immediate effect.
7. In terms of rule 6 of the Adjudication Rules, copies of this order are being sent to the Noticee and to Securities and Exchange Board of India.

**Date : October 04, 2012**  
**Place: Mumbai**

**Piyoosh Gupta**  
**Adjudicating Officer**