

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. ISD/ TEL-RSCL/AO/DRK-DS/EAD3- 664/210 -2014]

UNDER SECTION 15 I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5(1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of:

Rudra Securities & Capital Limited
2 /2 /B Center Point Flats,
Panchvati, Ambawadi Road, Ellisbridge ,
Ahmedabad 380006
[PAN No.: AACCR2292Q]

(In the matter of Turbotech Engineering Ltd.)

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India conducted an examination in the scrip of Turbotech Engineering Ltd. (hereinafter referred to as "*the company*") during the period October 18, 2012 to March 07, 2013 (hereinafter referred to as "*Examination Period*"). The scrip of the company is listed at BSE Ltd.

APPOINTMENT OF ADJUDICATING OFFICER

2. I was appointed as Adjudicating Officer under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '*SEBI Act*') read with Rule 3 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '*Rules*'), under Section 15A(b) of the SEBI Act, the violation of Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "*Takeover Regulations*") and Regulation 13(3) read with Regulation 13(5) of

the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "*PIT Regulations*") alleged to have been committed by Rudra Securities & Capital Limited (hereinafter referred to as "Noticee/RSCL"). The said appointment was communicated vide proceedings of the Whole Time Member appointing Adjudicating Officer dated February 03, 2014.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A Show Cause Notice no. A&E/EAD-3/DRK-DS/8061/2014 dated March 13, 2014 (hereinafter referred to as 'SCN') was served on the noticee in terms of the provisions of Rule 4 of the Rules, requiring the noticee to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed on the noticee under Section 15A(b) of the SEBI Act for the alleged violation of the provisions of Regulation 29(2) read with Regulation 29(3) of the Takeover Regulations and Regulation 13(3) read with Regulation 13(5) of PIT Regulations.
4. The SCN stated that in quarter ending September 30, 2012, the shareholding of the noticee was disclosed on the BSE website under the category of "persons holding 1% and above of total share capital" in the following manner:

Name of the shareholder	Number of shares as on 30th September 2012	% shares as on 30th September 2012
Rudra Securities & Capital Ltd.	27,00,000	11.25

5. However, it was observed from the disclosures that as on December 31, 2012, the name of the noticee did not appear neither in the category of "persons holding 1% and above of total share capital" nor in any other category.
6. Therefore, it was alleged that the noticee did not make any disclosures with respect to the decrease in its shareholding. As per the requirements of Regulation 29(2) read with Regulation 29(3) of the Takeover Regulations, the noticee was required to make the disclosures regarding the change in its shareholding in the specified Form to the stock exchanges where the securities of the target company are listed and to the target company within two working days of the disposal of shares.

7. Further as per Regulation 13(3) read with Regulation 13(5) of the PIT Regulations, the noticee was required to make disclosure with respect to the said sale of shares to the company in Form C within 2 working days of the disposal of said shares.
8. The SCN stated that the reply shall reach within 15 days from date of receipt of the notice, failing which it shall be presumed that the noticee has no reply to submit and the matter shall be proceeded on the basis of material available on record. The said SCN was sent through Registered Post Acknowledgement Due (RPAD) and the same was served on the noticee.
9. The noticee vide its reply dated April 14, 2014 made the following submissions:
 - a. *The Company had made all the required disclosures at the time of sale of shares in October, 2012 but such disclosures were not updated with the Stock Exchange.*
 - b. *Along with the reply, the noticee forwarded the acknowledged copy of the disclosures dated October 08, 2012 submitted to BSE Ltd.*
10. Thereafter, vide hearing notice dated July 28, 2014, the noticee was granted an opportunity of personal hearing and was advised to attend the hearing on August 13, 2014 at SEBI Bhavan, Mumbai. The said hearing notice was sent through RPAD and was served on the noticee. However, Noticee, vide its letter dated August 11, 2014 sought adjournment of the aforesaid hearing.
11. Acceding to the request of the noticee, vide hearing notice dated August 11, 2014, the noticee was granted final opportunity of being heard on September 03, 2014 at SEBI Bhavan, Mumbai. Vide the said hearing notice, the noticee was also advised to attend the said hearing, failing which the matter shall be proceeded based on the material available on record. The said hearing notice was sent through RPAD and was served on the noticee. Subsequently, vide letter dated September 01, 2014, the noticee authorised Ms. Rinku Valanju, Advocate as its Authorised Representative for the said hearing.
12. The AR of the noticee appeared for the hearing and made the following submissions:

- a. *The AR has reiterated the submissions made vide reply dated April 14, 2014.*
- b. *The AR has undertaken to submit the date-wise details of sale of shares by the noticee and proof of submission of disclosures to the company.*

13. Noticee, vide letter dated September 24, 2014 forwarded the proof of submission of disclosures to the company made by its letter dated 08.10.2012.

CONSIDERATION OF EVIDENCE AND FINDINGS

14. I have taken into consideration the facts and circumstances of the case, and the material made available on record.

15. It was alleged in the SCN that the noticee did not make disclosures with respect to its change in shareholding to the stock exchange as well as to the company as required under Regulation 29(2) read with Regulation 29(3) of the Takeover Regulations and Regulation 13(3) read with Regulation 13(5) of the PIT Regulations. The noticee was holding 27,00,000 equity shares amounting to 11.25% shareholding in the company till quarter ending September 30, 2012.

16. In response to the aforesaid allegation, the noticee has submitted the proof of submission of the disclosures to the stock exchange (BSE Ltd.) as well as to the company. As per the submissions of the noticee, the noticee sold all the aforesaid shares in an off market sale on October 08, 2012. The noticee submitted the disclosures dated October 08, 2012 to BSE Ltd. and a carbon copy was marked to the company. From the records, it is observed that BSE Ltd. received, stamped and acknowledged the said disclosures on October 09, 2012 and the company acknowledged the said disclosures with a stamp however no date was mentioned.

17. Hence, in the light of submission of proof of disclosures to both Stock Exchange and to the company, it can be concluded that the noticee has not violated Regulation 29(2) read with Regulation 29(3) of the Takeover Regulations and Regulation 13(3) read with Regulation 13(5) of the PIT Regulations.

ORDER

18. In view of the foregoing, considering the facts and circumstances of the case and available records, the alleged violation of the provisions of Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Regulation 13(3) read with Regulation 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 does not stand established against Rudra Securities & Capital Limited and accordingly the present adjudication proceeding is disposed of.

19. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, copies of this order are being sent to Rudra Securities & Capital Limited and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai

Date: November 26, 2014

**D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER**