

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

on Application No. 3762 of 2018

Filed by Mr. Saurabh Nevatia in the matter of Hind Rectifiers Limited

1. Mr. Saurabh Nevatia (hereinafter referred to as the ‘applicant’) had filed a suo motu application dated November 22, 2018 in the matter of Hind Rectifiers Limited in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with SEBI (Settlement Proceedings) Regulations, 2018 with effect from January 01, 2019 (hereinafter referred to as ‘Settlement Regulations’), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the delayed compliance of Regulation 10(5) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (hereinafter referred to as ‘SAST’).
2. Mr. Sushil Kumar Nevatia, promoter of Hind Rectifiers Limited (hereinafter referred to as ‘the company’) transferred 20,51,138 shares (12.38% shares) of the company to his son, the applicant herein, who is also a promoter and belongs to the promoter group. The applicant made prior intimation to the stock exchanges about the aforesaid acquisition/transfer of shares with a delay of 4 days in terms of Regulation 10(5) of SAST. Thus, the applicant failed to make the requisite disclosures within the stipulated time and the disclosure was made subsequently.
3. The Panel of Whole Time Members of SEBI, vide noting dated September 12,

2018, had approved that the settlement applications filed for the minor defaults/default involving disclosure matters may be processed as per “Summary Settlement Procedure” for expeditious disposal. It was observed that the captioned case may be considered for summary settlement as per the provisions of Regulation 16 of the SEBI (Settlement Proceedings) Regulations, 2018. In view of the above, the applicant was called for an IC meeting and was given an option of preferring a summary settlement procedure by paying the summary settlement amount. The applicant opted for the summary settlement route and agreed upon to pay the settlement amount of ₹ 3,00,000/- (Rupees Three Lakhs only) towards settlement terms as proposed by the applicant for the aforementioned default, within 10 working days from the date of the IC meeting.

4. The applicant vide Demand Draft No. 026276 dated February 27, 2019 drawn on Union Bank of India has remitted ₹ 3,00,000/- (Rupees Three Lakhs only) towards the settlement charges. The Panel of Whole Time Members of SEBI, on February 28, 2019, approved the said settlement terms for the summary settlement of the captioned matter.
5. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered that:
 - i. the proceedings that may be initiated for the default as discussed in paragraph 1 above, are settled *qua* the applicants as per the following terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,

- iii. this order disposes of the proceedings that may be initiated for the default as mentioned above, in respect of the applicant and;
 - iv. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant has breached any of the clauses/conditions of undertakings/ waivers filed during the present settlement proceedings.
6. This settlement order is passed on this 28th day of February, 2019 and shall come into force with immediate effect.
7. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

Sd/-

S. K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER