

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**SETTLEMENT ORDER NO. EAD-5/SVKM/03/2015-16**

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**SETTLEMENT ORDER**

**On the Application No. 2875 of 2014**

**Submitted by**  
**M/s Pradeep Metals Limited**  
**(PAN NO. AAACP9350P)**

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1. An open offer was made by Rabale Engineering India Private Limited in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**SAST Regulations, 2011**”) to the shareholders of Pradeep Metals Limited, Target Company, through a public announcement dated November 27, 2012 for acquisition of 44,90,200 fully paid up equity shares of the face value of ₹ 10 each, representing 26% of the issued and subscribed capital and 26.02% of the voting capital of the Target Company at a price of ₹ 22/- per share payable in cash. The shares of the Pradeep Metals Limited are listed at BSE.
  2. While examining the Letter of Offer filed pursuant to the afore-mentioned public announcement, it was observed that Pradeep Metals Limited has not complied with the provisions of Regulation 8(3) of SAST Regulations, 1997 within the due date during the years 2002, 2003, 2010 and 2011. The details of the non-compliances by Pradeep Metals Limited in the tabular form is given below:

<b>Sr. No.</b>	<b>Provision of SAST Regulations, 1997</b>	<b>Due date of compliance</b>	<b>Actual date of compliance</b>	<b>Delay (in no. of days)</b>
1	8(3)	30.04.2002	17.02.2004	658

2	8(3)	30.04.2003	17.02.2004	293
3	8(3)	30.04.2010	17.05.2010	17
4	8(3)	30.04.2011	Not complied	-

3. In view of the above, SEBI initiated adjudication proceedings against the Pradeep Metals Limited and vide order dated July 24, 2013 appointed Shri Piyoosh Gupta as Adjudicating Officer to inquire into and adjudge under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), the alleged violations by the Pradeep Metals Limited of provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of SAST Regulations, 2011. Subsequently, upon the transfer of Shri Piyoosh Gupta, Shri A. Sunil Kumar was appointed as Adjudicating Officer vide order dated November 08, 2013.
4. Accordingly, a Show Cause notice no. (SCN) EAD-5/ADJ/ASK/AA/OW/9774/2014 dated April 01, 2014 was issued to the Pradeep Metals Limited under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Rules**”) alleging that they have violated the provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of SAST Regulations, 2011 during the years 2002, 2003, 2010 and 2011.
5. While the adjudication proceedings pursuant to the said SCN were in progress, Pradeep Metals Limited (hereinafter referred to as the “**Applicant**”), vide letter dated September 18, 2014 had submitted an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 Limited (hereinafter referred to as the “**Settlement Regulations, 2014**”) proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged

violations. In the said application, the applicant offered to settle the charges in terms of the Settlement Regulations, 2014.

6. The Authorised Representative of the applicant appeared before the Internal Committee of SEBI on April 29, 2015 where the terms of settlement were deliberated upon. Thereafter, the applicant vide letter dated April 29, 2015 and email dated June 03, 2015 proposed to settle the aforesaid adjudication proceedings by offering to pay a sum of ₹ 4,33,500/- (Rupees Four Lakh Thirty Three Thousand Five Hundred only) towards settlement charges.
7. The settlement terms as proposed by the applicant were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on June 12, 2015. The HPAC, after considering the facts and circumstances of the matter, settlement terms offered by the applicant and the materials brought before it by SEBI, recommended that the aforesaid adjudication proceedings may be settled on payment of ₹ 4,33,500/- (Rupees Four Lakh Thirty Three Thousand Five Hundred only) towards settlement charges as proposed by the applicant. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC and the same was communicated to the applicant vide letter dated August 20, 2015.
8. Accordingly, the applicant vide letter dated September 02, 2015 has remitted a sum of ₹ 4,33,500/- (Rupees Four Lakh Thirty Three Thousand Five Hundred only) towards settlement charges through Demand Draft no. 239447 dated August 21, 2015 drawn on Union Bank of India.
9. Consequent to the transfer of Shri A. Sunil Kumar, the Competent Authority has appointed the undersigned as the Adjudicating Officer, in the present matter, on June 22, 2015 under Section 19 of the SEBI Act, 1992 read with Section 15(I) of the SEBI Act, 1992 and Rule 3 of the Rules.

10. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against M/s Pradeep Metals Limited vide Show Cause Notice no. EAD-5/ADJ/ASK/AA/OW/9774/2014 dated April 01, 2014.
11. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the applicant, if :
- a. any representation made by the applicant in the settlement proceedings is subsequently found to be untrue; or
  - b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
12. This Settlement Order is passed on this **Sixteenth day of September, 2015** and shall come into force with immediate effect.

**Place: Mumbai**

**S. V. Krishnamohan  
Chief General Manager &  
Adjudicating Officer**