

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**CO/CFD/2800/2014/JJ/AK/AO-157/2014**

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**SETTLEMENT ORDER**

On the Application No. 2800 of 2014

Submitted by

**M/s Shree Manufacturing Company Limited**  
**(PAN: AADCS5577Q)**

**In the matter of:**

**M/s Shree Manufacturing Company Limited**

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1. An open offer was made by M/s Edge Consultancy Services LLP (hereinafter referred to as "**Acquirer**") in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**SAST Regulations, 1997**), to the shareholders of M/s Shree Manufacturing Company Limited (hereinafter referred to as "**Noticee**" / "**SMCL**"), Target Company listed at BSE Limited (**BSE**) and Calcutta Stock Exchange (**CSE**), through a public announcement dated April 14, 2012 for acquisition of 14,81,902 equity shares (including partly paid up shares) representing 26% of share capital of SMCL, at a price of ₹1.25 per fully paid up equity share of ₹10 each and ₹ 0.63 per partly paid up equity share of ₹5 each payable in cash.
  
2. Upon perusal of open offer, it was observed that SMCL had made the disclosures required as per regulation 8(3) of SAST Regulations, 1997 of the year 2002 to 2011 as against the due date of compliance with a delay. The details of delay in this regard are as follows:

S.No.	Regulation	Due date of compliance	Actual date of compliance	Delay if any (in no. of days)
1	8(3)	30.04.2002	21.03.2012	3613
2	8(3)	30.04.2003	21.03.2012	3248
3	8(3)	30.04.2004	21.03.2012	2882
4	8(3)	30.04.2005	21.03.2012	2517
5	8(3)	30.04.2006	21.03.2012	2152
6	8(3)	30.04.2007	21.03.2012	1787
7	8(3)	30.04.2008	21.03.2012	1421
8	8(3)	30.04.2009	21.03.2012	1056
9	8(3)	30.04.2010	21.03.2012	691
10	8(3)	30.04.2011	21.03.2012	326

3. Thus, it was alleged that SMCL had failed to comply with regulation 8(3) of SAST Regulations, 1997 in the years 2002 to 2011.
  
4. Shri Piyoosh Gupta was appointed as the Adjudicating Officer vide order dated June 27, 2013 under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) to inquire and adjudge under Section 15A(b) of the SEBI Act, the alleged violations of provisions of regulation 8(3) of SAST Regulations, 1997 committed by SMCL. Consequent, upon transfer of Shri Piyoosh Gupta, the undersigned has been appointed as Adjudicating Officer vide order dated November 08, 2013 to enquire and adjudge the matter. Accordingly, a Show Cause Notice (**SCN**) in terms of the provisions of Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was issued to the Noticee on November 20, 2013, seeking reply of the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.

5. While the Adjudication Proceedings were in progress, a settlement application dated January 21, 2014 (received on February 05, 2014) was submitted by the Noticee before SEBI along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 further amended vide Circular No. CIR/EFD/1/2012 dated May 25, 2012, which is rescinded by the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through settlement order, the aforementioned adjudication proceedings for delayed compliance of regulation 8(3) of SAST Regulations, 1997 alleged to have been committed by the Noticee.
6. The representatives of the Noticee had a meeting with the Internal Committee of SEBI where the terms of settlement was deliberated upon. Thereafter, the Noticee vide its letter dated March 31, 2014 proposed the revised consent terms to settle the aforesaid adjudication proceedings for the delayed compliance of regulation 8(3) of the SAST Regulations, 1997 by offering to pay a sum of ₹5,10,000/- (Rupees Five Lakh Ten Thousand only) towards settlement charges.
7. The revised settlement terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) on August 28, 2014 and HPAC after deliberation recommended the case for settlement on payment of ₹5,10,000/- (Rupees Five Lakh Ten Thousand only) towards settlement terms. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC. Thereafter, SEBI vide email dated October 31, 2014 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the settlement proposed by the Noticee subject to the clauses of Undertakings/Waivers mentioned in the settlement application and advised the Noticee to pay in accordance with the revised settlement terms.

8. Accordingly, the Noticee has remitted a sum of ₹5,10,000/- (Rupees Five Lakh Ten Thousand only) favoring Securities and Exchange Board of India vide demand draft having No. 381292 dated November 13, 2014 drawn on State Bank of Hyderabad towards the settlement charges.
9. In view of the above, in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:
- A) this Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Noticee as mentioned above and;
  - B) 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 representations made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
    - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
10. This Settlement Order is passed on the 25th day of November, 2014 and shall come into force with immediate effect.
11. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee and also to Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**

**Jayanta Jash  
Adjudicating Officer**