

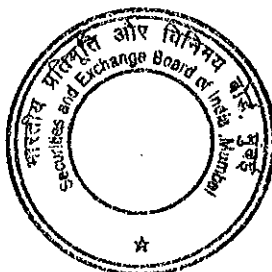
BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**CONSENT ORDER**

On the Application No. 2872 of 2014 filed by

1. Rabale Engineering (India) Private Limited (Permanent Account Number: AACCR1332D),
2. Ms. Seema Goyal (Permanent Account Number: AEQPG5812C),
3. Mr. Pradeep Goyal (Permanent Account Number: AASPG9498G),
4. Ms. Neeru Goyal (Permanent Account Number: ADKPG7980L),
5. Flashnet Info Solutions India Limited (Permanent Account Number: AAACF6493R)
6. SV Shah Construction Services Private Limited (Permanent Account Number: AAACS5999M)

1. Rabale Engineering (India) Private Limited, promoter of Pradeep Metals Limited (hereinafter referred to as 'Target Company') filed an application on behalf of itself and the other promoters, viz. Ms. Seema Goyal, Mr. Pradeep Goyal, Ms. Neeru Goyal, Flashnet Info Solutions India Limited and SV Shah Construction Services Private Limited (hereinafter referred to as 'the applicants'), vide letter dated August 5, 2014 in terms of the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through a consent order, the adjudication proceedings initiated vide the following show cause notices (SCNs):

- i) EAD-5/ADJ/ASK/AA/OW/9775/2014, dated April 1, 2014, issued to Rabale Engineering (India) Private Limited for the alleged violations of regulations 29(1), 29(2), 29(3), 30(2) and 30(3), of the SAST Regulations.
- ii) EAD-5/ADJ/ASK/AA/OW/9790/2014, dated April 1, 2014, issued to Ms. Seema Goyal, Ms. Neeru Goyal, Flashnet Info Solutions India Limited and SV Shah Constrution, for the alleged violations of regulations 30(2) read with regulation 30(3), of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations), and



Pradeep

Seema

- iii) EAD-5/ADJ/ASK/AA/OW/9780/2014, dated April 1, 2014, issued to Mr. Pradeep Goyal for the alleged violations of regulations 29(2), 29(3), 30(2), 30(3), and regulations 10(5), 10(6) and 10(7) of the SAST Regulations
2. The aforesaid SCNs were issued with respect to transactions summarized in the following paragraphs.
3. Mr. Pradeep Goyal had acquired 3,55,280 shares of the Target Company on April 16, 2012, which resulted in the change in his shareholding in the Target Company from 5.33% to 7.49%, i.e. a change of 2.16%. The said change in shareholding was required to be disclosed under regulations 29(2) read with 29(3) of the SAST Regulations by April 18, 2012. However, the same was disclosed on December 21, 2012. Therefore, there was a delay of 247 days in the compliance of the provisions of regulations 29(2) read with 29(3) of the SAST Regulations. Further, the said transaction triggered the compliance of regulations 10(6) and 10(7) of the SAST Regulations. Compliance of regulation 10(6) of the SAST Regulations was made on December 21, 2012 resulting in a delay of 245 days and compliance of regulation 10(7) of the SAST Regulations was made on December 24, 2012 resulting in a delay of 222 days.
4. Rabale Engineering (India) Private Limited converted 4,00,000 warrants into equity shares of the Target Company on August 27, 2012 representing 2.38% of the share capital of the Target Company. The above transaction resulted into aggregate shareholding of Rabale Engineering (India) Private Limited exceeding 5% of the share capital of the Target Company and hence, disclosure of the same was required to be made by August 29, 2012, as provided under regulation 29(1) read with regulation 29(3) of the SAST Regulations. However, the same was made on November 19, 2012 resulting in a delay of 82 days. Further, Rabale Engineering (India) Private Limited converted 4,50,000 warrants into equity shares of the Target Company on October 22, 2012. Prior to the said transaction, Rabale Engineering (India) Private Limited held 12,00,000 shares of the Target Company resulting in 7.13% shareholding. The said transaction dated October 22, 2012 resulted in acquisition of 2.61% of the shareholding of the Target Company, and hence, was required to be disclosed by October 25, 2015, as provided under

Pradeep Goyal

Kumar



regulation 29(2) read with regulation 29(3) of the SAST Regulations. However, the same was made on November 19, 2012 resulting in a delay of 27 days.

5. In addition to the above, the aforesaid transactions dated August 27, 2012 by Rabale Engineering (India) Private Limited had also triggered the obligation of disclosure under regulations 13(1) and 13(4A) read with regulation 13(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (PIT Regulations) and the transaction dated October 22, 2012, had triggered the requirement of disclosure under regulation 13(4A) read with regulation 13(5) of the PIT Regulations. The applicants confirmed that the said disclosure was made on July 31, 2014 resulting in a delay of 700 days and 644 days, respectively. Further, it was noted that the transaction of Rabale Engineering (India) Private Limited on November 27, 2012 resulting in the acquisition of 55,500 shares of the Target Company required to be disclosed under regulation 13(4A) read with regulation 13(5) of the PIT Regulations. The said disclosure was made on February 5, 2015 resulting in a delay of 797 days.
6. Further, it was noted that the transactions of Mr. Pradeep Goyal dated April 16, 2012, April 26, 2012 and July 16, 2014 resulting in the acquisition of 875900 shares, 290120 shares and 55000 shares, respectively, of the Target Company required to be disclosed under regulations 13(4) and 13(4A) read with regulation 13(5) of the PIT Regulations. The disclosures pertaining to the first two transactions were made on July 31, 2014 resulting in a delay of 834 days and 822 days respectively, and the disclosure pertaining to the last transaction was made on July 24, 2014 resulting in a delay of 6 days.
7. Further, the applicants were required to make annual disclosure under regulation 30(2) read with regulation 30(3) of the SAST Regulations, and the said disclosure was delayed by 4 days.
8. Pursuant to the Internal Committee meeting, vide letter dated April 29, 2015, the applicants proposed the revised consent terms to settle the aforesaid delayed compliances by offering to pay a sum of ₹ 21,29,625/- (Rupees Twenty One Lakh Twenty Nine Thousand Six Hundred and Twenty Five only) towards settlement charges in accordance with the Securities and Exchange Board of India


Dargal
Kana



(Settlement of Administrative and Civil Proceedings) Regulations, 2014.

9. The High Powered Advisory Committee (HPAC), considered the settlement terms proposed by the applicants and recommended the case for settlement upon payment of ₹ 21,29,625/- (Rupees Twenty One Lakh Twenty Nine Thousand Six Hundred and Twenty Five only) towards settlement charges and the same was approved by the Panel of Whole Time Members. Thereafter, the same was communicated to the applicants, vide letter dated August 20, 2015.
10. Accordingly, the applicants have, vide Demand Draft No. 065307 dated September 2, 2015 drawn on HDFC Bank Limited, remitted a sum of ₹ 21,29,625/- (Rupees Twenty One Lakh Twenty Nine Thousand Six Hundred and Twenty Five only) towards the settlement charges.
11. In view of the above, the alleged violations of the provisions of regulations 10(6), 10(7), 29(1), 29(2), 30(2) read with regulation 30(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as alleged in the show cause notices dated April 1, 2014 as stated in Paragraph 1 above, and of regulations 13(1), 13(4) and 13(4A) read with regulation 13(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as sought to be settled voluntarily by the applicants, are settled according to the aforesaid settlement terms by way of this order and the Securities and Exchange Board of India shall not initiate any enforcement action against the applicants for the delay in compliance.
12. This settlement order passed on this the 09 day of December, 2015 shall come into force with immediate effect.


RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER


PRASHANT SARAN
WHOLE TIME MEMBER

