

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On the Application No. 2755 of 2013

filed by

M/s. Welspun India Limited

(PAN no. AAACW1259N)

Consent Order No: CFD/EAD-6/AO/AK/ 230 /2014

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") had initiated adjudication proceedings in respect of M/s. Welspun India Limited (hereinafter referred to as "**the applicant**"/ "**the company**") 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**), for the alleged violation/ contravention of the provisions of Regulation 7(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 (hereinafter referred to as '**Takeover Regulations**') and Ms. Barnali Mukherjee was appointed as Adjudicating Officer. A Show Cause Notice dated July 22, 2014 was issued to the company under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 calling upon the company to show cause as to why an inquiry should not be held in respect of the violations alleged to have been committed by the company. Consequent upon the transfer of Ms. Barnali Mukherjee, undersigned was appointed as the Adjudicating Officer vide Order dated August 08, 2013 under section 15-I of the SEBI Act.
2. Subsequent to the same, the applicant vide its letter dated September 16, 2013 filed an application, subsequently amended on December 20, 2013, in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 read with circular dated May 25, 2012 and subsequently replaced with SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for proposing to settle through a Consent Order, *inter alia* the aforementioned adjudication proceedings for the delayed compliance

of the provisions of Regulation 7(3) of the Takeover Regulations.

3. The application for settlement also proposed to settle the non-compliance of Regulation 13(6) of SEBI (Prohibition of Insider Trading) Regulations (hereinafter referred to as '**PIT Regulations**'). In the matter, a separate Settlement Order has been passed vide Order Ref. No: CO/CFD-DCR-1/ 76/Dec/2014 dated December 26, 2014 in terms of Regulation 15(2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.
4. The present settlement order deals in terms of Regulation 15(1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, with the applicant *inter alia* seeking settlement of the aforesaid adjudication proceedings initiated against the applicant whereby it was alleged that the applicant had failed to comply with the provisions of Regulation 7(3) of Takeover Regulations within the stipulated time, details of which are as given below:

| Sl.no. | Regulation | Transaction Date | No. of Shares Acquired | Change in % of share holding | Actual date of compliance | Duration of non-compliance (No. of Days) |
|--------|------------|------------------|------------------------|------------------------------|---------------------------|--|
| 1 | 7(3) | 28.06.2005 | 29,60,200 | 3.85% | 05.08.2005 | 29 |

5. The representatives of the applicant had a meeting with the Internal Committee of SEBI wherein the settlement terms proposed by the applicant was deliberated. Thereafter, the applicant vide its letter dated March 25, 2014 proposed the revised settlement terms to settle both the earlier discussed defaults by offering to pay a consolidated sum of Rs. 2,41,500/- (Rupees Two Lakh, Forty One Thousand Five Hundred only) towards settlement charges for the violation of Regulation 7(3) of the Takeover Regulations and Regulation 13 (6) of PIT Regulations.
6. The High Powered Advisory Committee (hereinafter referred to as "**HPAC**") considered the settlement terms proposed by the applicant and recommended the case for settlement upon payment of **Rs. 2,41,500/- (Rupees Two Lakh, Forty One Thousand Five Hundred only)** towards settlement charges for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said

recommendations of the HPAC and the same was communicated to the applicant vide email dated November 18, 2014.

7. Accordingly, the applicant has vide demand draft No. '003977' dated November 25, 2014 drawn on 'IDBI Bank', remitted a sum Rs. 2,41,500/- (Rupees Two Lakh, Forty One Thousand Five Hundred only) towards the settlement charges.
8. 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:
 - i. this Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Applicant of the delayed compliance of the provision of Regulation 7(3) of the Takeover Regulations;
 - ii. 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 Applicant, if SEBI finds that:
 - a. any representations made by the Applicant in the consent proceedings are subsequently discovered to be untrue;
 - b. the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the current consent proceedings.
9. This Settlement Order is passed on this **Thirtieth day of December, 2014** and shall come into force with immediate effect.
10. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Applicant and also to Securities and Exchange Board of India, Mumbai.

Place: Mumbai

Anita Kenkare
Adjudicating Officer