

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER

On the Application submitted by
M/s. A. V. Cottex Limited.
(PAN: AAECA0201G)

CO/CFD-DCR/1946-2010/AO/SRP/DL /150/2010

1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against M/s. A. V. Cottex Limited (hereinafter referred to as '**Noticee**') to inquire into and adjudge under section 15 A (b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), the alleged violation/contravention of the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (hereinafter referred to as '**SAST Regulations**') by the Noticee.
2. It was observed that the Noticee was under statutory obligation under regulations 6(2) and 6(4) of the SAST Regulations to disclose the aggregate shareholding of any person holding more than 5% shares or voting rights in it and the names and addresses of promoters and /or person(s) having control over the Company and the number and percentage of shares or voting rights held by each such person to all the stock exchanges on which its shares are listed. It is alleged that the Noticee made the required disclosures only after substantial delays and therefore, it did not comply with regulations 6(2) and 6(4) of the SAST Regulations. It was also alleged that there was a substantial delay by the Noticee in complying with disclosure requirements for the year 1998 to 2004 as required under regulation 8(3) of the SAST Regulations.

3. The undersigned was appointed as Adjudicating Officer (**AO**) under section 15 I of the SEBI Act to inquire into and adjudge under Sections 15 A (b) of the SEBI Act for the aforesaid alleged violations. Consequently, Show Cause Notice No. EAD-1/SRP/DT/197386/2010 dated March 05, 2010 was issued to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**the Rules**”).
4. While the adjudication proceedings were in progress, the Noticee made an application dated March 29, 2010 along with an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for settlement of the proceedings through Consent Order. Subsequently, the Noticee proposed revised consent terms vide letter dated August 30, 2010, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that they were willing to pay a sum of ₹ 2,60,000/- (Rupees two lakh sixty thousand only) towards settlement charges in the matter.
5. The revised consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) on September 28, 2010 and HPAC after deliberation recommended the case for settlement on the aforesaid revised consent terms proposed by the Noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.
6. The acceptance of consent proposal was communicated to the Noticee by SEBI vide letter dated November 03, 2010. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of ₹ 2, 60, 000/- (Rupees two lakh sixty thousand only), vide demand draft No. 015433 dated

November 09, 2010 drawn on HDFC Bank Ltd., Mumbai towards the terms of consent in the matter.

7. In view of above, it is hereby ordered that:
- i) this consent order disposes of the said proceedings pending against the Noticee under SEBI Act
 - ii) passing of this order is without prejudice to the rights of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses/ conditions of undertakings/waivers filed during the current consent proceedings.
8. This consent order is passed on the 18th day of November 2010 and shall come into force with immediate effect.

SATYA RANJAN PRASAD
ADJUDICATING OFFICER