

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

On the Application submitted by
M/s Drillco Metal Carbides Limited
In the matter of M/s Drillco Metal Carbides Limited.

CO/CFD-DCR/2248/PB/AO/82/2011

1. An open offer was made by Mr. Rahul Timbadia (hereinafter referred to as “**Acquirer**”) to the shareholders of M/s Drillco Metal Carbides Limited (hereinafter referred to as “**DMCL/Noticee**”), Target Company listed at Bombay Stock Exchange and Pune Stock Exchange, through a public announcement dated January 13, 2010 for acquisition of 9,87,469 fully paid up equity shares of ₹10 each representing 45% of paid up capital of DMCL, at a price of ₹2.50 per equity share.
2. Upon examination of the offer document pertaining to the open offer, Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) observed that the Noticee had made the disclosures required as per regulations 6(2) and 6(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “**SAST Regulations**”) on January 18, 2010 to stock exchanges as against the due date of compliance of May 20, 1997 i.e. with a delay of 4622 days. It was also observed that Noticee had made the disclosures required as per regulation 7(3) of SAST Regulations on January 14, 2010 to stock exchanges as against the due date of compliance of January 11, 2010 i.e. with a delay of 3 days for the year 2010. Further, it was also observed that Noticee had made the disclosures required as per regulation

8(3) of SAST Regulations to stock exchanges as against the due date of compliance with a delay ranging from 4278 days to 265 days, for the years 1998 to 2009. Thus, it was alleged that Noticee had violated the provisions of regulations 6(2), 6(4), 7(3) and 8(3) of SAST Regulations.

3. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge under section 15A(b) of the Securities and Exchange Board of India Act, 1992 for the alleged violation of the provisions of regulations 6(2), 6(4), 7(3) and 8(3) of SAST Regulations. Consequently, a Show Cause Notice No. EAD-7/PB/AK/25335/2010 dated October 29, 2010 (hereinafter referred to as '**SCN**') was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, by the undersigned.
4. While the adjudication proceedings were pending, the Noticee made an application dated June 01, 2011 and an affidavit of "undertakings and waivers" in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid SCN before SEBI.
5. Subsequently, the Noticee proposed revised consent terms, 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 Rs.6,00,000/- (Rupees six lakh only) towards consent terms. The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on July 21, 2011. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that

the case may be settled on payment of Rs.6,00,000/- (Rupees six lakh only) towards settlement charges. The recommendations of HPAC were approved by the Chairman and WTM.

6. The acceptance of consent proposal was communicated to the Noticee by SEBI vide letter dated August 23, 2011. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of Rs.6,00,000/- (Rupees six lakh only), vide Demand Draft No. 939243 dated September 05, 2011 drawn on Union Bank of India, Vile Parle (East) - 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 Securities and Exchange Board of India Act, 1992, and
 - 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 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 September 08, 2011 and shall come into force with immediate effect.

9. In terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticee and also to the SEBI.

Parag Basu
Adjudicating Officer