

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. IVD-ID1/WML/AO/ DRK/ ASG/EAD-3/ CO- 23/2009

CONSENT ORDER

(Application No. 1254 of 2009)

In the matter of

Gallon Holdings Pvt.Ltd.

(having address at

8A & 8B Satyam Towers,

3 Alipore Road,

Kolkata-700027)

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), vide order dated January 03, 2007 initiated adjudication proceedings against Gallon Holdings Pvt. Ltd., (hereinafter referred to as ‘**the Noticee**’) for inquiring and adjudging under Section 15A (a) and 15A (b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the ‘**SEBI Act**’), the violations of the provisions of Regulations 3(3), 3(4), 3(5) and 7(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 alleged to have been committed by the noticee in respect of its acquisition of shares of Woolite Mercantile Company Ltd. (hereinafter referred to as the ‘**target company**’) on March 15, 2002. Show Cause Notice No. A&E/BS/ 95620/2007 dated June 07, 2007 was issued to the Noticee. The Show Cause Notice was returned undelivered by the Postal Authorities.
2. I was appointed as the Adjudicating Officer vide order dated December 10, 2008, under section 15 I of the SEBI Act read with Rule 3 of Securities

and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

3. The Show Cause Notice was subsequently affixed on December 24, 2007 at the last known office address of the noticee at Kolkata. A hearing notice dated December 26, 2008 was issued to the noticee granting a hearing on January 19, 2009. This notice was also returned undelivered by the Postal Authorities with the comment 'not known'. Subsequently, a final hearing notice dated February 03, 2009 was issued to the noticee granting a final opportunity of hearing on February 14, 2009. The final hearing notice was served by hand delivery to the present address of the noticee by the Eastern Regional Office of SEBI.
4. Pending adjudication proceedings, the Noticee made an Application for Consent dated March 14, 2009 (Consent application Regn. No. 1254 of 2009) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, as requested by the Noticee a meeting was granted to it before the Internal Committee on Consent on May 21, 2009 and the consent terms were settled at an amount of Rs. 85,000/- (Rupees Eighty Five Thousand) only towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "**HPAC**") on June 12, 2009 and the HPAC considered the facts and circumstances of the case, proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the Noticee.
5. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs. 85,000/- (Rupees Eighty Five Thousand) only favoring SEBI vide Pay Order No. 168572 dated July 23, 2009 drawn on Citibank N.A. Global Consumer Bank towards the terms of consent in the matter.

6. In view of the above, it is hereby ordered that:
- i. this consent order disposes of the said adjudication proceedings initiated against the Noticee mentioned in para 1, 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 representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. The Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. This consent order is passed on the **28th day of August, 2009** and shall come into force with immediate effect.
8. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Gallon Holdings Pvt. Ltd. (having address at 8A & 8B , Satyam Towers, 3, Alipore Road, Kolkata-700027) and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai

**D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER**