

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On the Application No. **2848 of 2014**

filed by

M/s Automobile Products of India Limited

(PAN No. **AABCA0725C**)

Consent Order No: CFD/EAD-6/AO/AK/211/2014

1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) had initiated adjudication proceedings against M/s Automobile Products of India (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**), for the alleged violation/contravention of the provisions of Regulations 8(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 (hereinafter referred to as **Takeover Regulations**) and the undersigned was appointed as Adjudicating Officer (AO) vide order dated September 02, 2013 under section 15 I of the SEBI Act. Consequently, a Show Cause Notice dated December 17, 2013 was issued to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, seeking its submission as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.
2. Subsequent to the same, the Noticee vide letter dated December 30, 2013 sought four (4) weeks time to reply to the SCN dated December 17, 2013. The Noticee vide letter dated February 11, 2014 *inter alia* made its submission to the SCN. In the interest of natural justice and in terms of rule 4(3) of the SEBI Rules, the Noticee was granted an opportunity of personal hearing on April 23, 2014 vide hearing notice dated March 19, 2014. Mr. Rajesh Khandelwal, Authorized Representative (hereinafter referred to as **AR**) appeared on behalf

of the Noticee and submitted that the Noticee seeks to avail consent process in the instant matter. The Noticee vide its letter dated June 12, 2014 (received by SEBI on June 18, 2014) filed an application with SEBI in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through a consent order, the aforementioned adjudication proceedings for the non-compliance of the provisions of Regulation 8(3) of the Takeover Regulations.

3. It was observed that the Noticee company failed to comply with Regulations 8(3) of the Takeover Regulations with delay, details of which are as given below:

Sr. No.	Regulation violated under the Takeover Reg.	Due Date of compliance	Date of compliance	Delay - in no. of days
1.	8(3)	30.04.1998	21.03.2011	4708
2.	8(3)	30.04.1999	21.03.2011	4343
3.	8(3)	30.04.2000	21.03.2011	3977
4.	8(3)	30.04.2001	21.03.2011	3612
5.	8(3)	30.04.2002	21.03.2011	3247
6.	8(3)	30.04.2003	21.03.2011	2882
7.	8(3)	30.04.2004	21.03.2011	2516
8.	8(3)	30.04.2005	21.03.2011	2151
9.	8(3)	30.04.2006	21.03.2011	1786
10.	8(3)	30.04.2007	21.03.2011	1421
11.	8(3)	30.04.2008	21.03.2011	1055
12.	8(3)	30.04.2009	21.03.2011	690
13.	8(3)	30.04.2010	21.03.2011	325

4. The representatives of the applicant had a meeting with the Internal Committee of SEBI where the terms of settlement was deliberated upon. Thereafter, the Noticee vide letter dated September 09, 2014 proposed the revised consent terms to settle the aforesaid adjudication proceedings for violations/non-compliance of Regulation 8(3) of the Takeover Regulations by offering to pay a sum of Rs. 6,63,000/- (Rupees Six Lakh Sixty Three Thousand only) towards settlement charges.

5. 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. 6,63,000/- (Rupees Six Lakh Sixty Three Thousand only) towards settlement charges. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC and the same was communicated to the Noticee vide e-mail dated November 14, 2014.
6. Accordingly, the Noticee has, vide demand draft No. '014333' dated November 18, 2014 drawn on 'ICICI Bank' and payable at Mumbai, remitted a sum Rs. 6,63,000/- (Rupees Six Lakh Sixty Three Thousand only) towards the settlement charges.
7. 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 Consent Order disposes of the said Adjudication Proceedings pending in respect of the Applicant as mentioned above 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 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.
8. This consent order is passed on this **Twenty-fifth day of November, 2014** and shall come into force with immediate effect.

9. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee and also to Securities and Exchange Board of India, Mumbai.

Anita Kenkare
Adjudicating Officer

Place: Mumbai