

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

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**CONSENT ORDER**

**(Application No. 2788 of 2013)**

**On the application submitted by**

**M/s GMM Pfaudler Limited**

**(PAN no.AABCG0563A)**

**Consent Order No: CFD/EAD-6/AO/AK/97/2014**

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1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against M/s GMM Pfaudler 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**), for the alleged violation/contravention of the provisions of Regulation 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as **"Takeover Regulations"**).
2. An offer document (letter of offer) was filed by M/s. National Oilwell Varco, Inc. (Acquirer) along with the person acting in concert Pfaudler Inc. (PAC) to acquire upto 38,00,550 shares of face value of Rs. 2/- each representing 26% of the diluted voting equity share capital. The public announcement for the same was made on February 02, 2013 and the shares of the Company were listed on BSE Ltd. (hereinafter referred to as **BSE**) only. On perusal of the letter of offer, SEBI observed that the Company had failed to comply with Regulations 8(3) of SAST Regulations within the stipulated time during the period 2002 to 2010.

3. The undersigned was appointed as Adjudicating Officer (**AO**) vide order dated August 16, 2013 under section 15 I of the SEBI Act to inquire into and adjudge under Sections 15A(b) of the SEBI Act for the aforesaid alleged violations/ non-compliance. Consequently, Show Cause Notice dated November 28, 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 reply of the Noticee as to why an inquiry should not be held in respect of the violations/ non-compliance alleged to have been committed by the Noticee.
4. While the Adjudication Proceedings were in progress, the Noticee submitted an application for Consent/ Settlement Order dated December 18, 2013 and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. The Noticee, vide letter dated January 31, 2014 proposed Rs.11,92,125/- (Rupees Eleven Lakhs Ninety Two Thousand One hundred and twenty five only) as revised consent terms towards settlement charges in respect of the aforesaid proceedings before SEBI.
5. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) on March 20, 2014 and HPAC after deliberation recommended the case for settlement on payment of Rs.11,92,125/- (Rupees Eleven Lakhs Ninety Two Thousand One hundred and twenty five only) towards settlement charges. Thereafter, SEBI vide email dated June 16, 2014 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the consent proposed by the Noticee subject to the clauses of Undertakings/ Waivers mentioned in the consent application and advised the Noticee to pay in accordance with the revised consent terms.

6. In terms of the proposal of the Noticee, for the sole purpose of settling the matter on hand, without admitting or denying the guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs.11,92,125/- (Rupees Eleven Lakhs Ninety Two Thousand One hundred and twenty five only) favouring Securities and Exchange Board of India having Pay-order No. 047905 dated June 18, 2014 drawn on Kotak Mahindra Bank Limited towards the terms of consent/ Settlement in the matter.
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:
- 7.1. this Consent/ Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Noticee as mentioned in para 1 and 2 above and;
- 7.2. 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:
- 7.2.1. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue;
- 7.2.2. the Noticee has breached any of the clauses/ conditions of undertakings/ waivers filed during the current consent/ Settlement proceedings.
8. This consent order is passed on the **27th day of June, 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.

**Place: Mumbai**

**Anita Kenkare  
Adjudicating Officer**