

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
Y.K DALMIA**

**IN THE MATTER OF**

**SURAJ PRODUCTS LIMITED**

**(CONSENT APPLICATION NO. 1030/2008.)**

1. Securities and Exchange Board of India (hereinafter referred to as SEBI) received a letter dated February 17, 2006 from one Y.K. Dalmia (hereinafter referred to as applicant, having his address at W-7, Civil Township, Rourkela, Orissa and PAN ACXPD6692C) enclosing a report under Regulation 3(4) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as Takeover Regulations). The said report was filed in respect of the acquisition of 15,00,000 equity shares of Suraj Products Limited (hereinafter referred to as the target company) constituting 25.42% of the paid up capital of the target company, on January 8, 2002 by the applicant and persons acting in concert with him (hereinafter referred to as PACs) namely Mrs. Gayatri Dalmia, Mr. Ghanshyam Dalmia, Mr. K.P. Dalmia, Mrs. Kumudini Dalmia, Miss Nandita Dalmia, Miss Nivedita Dalmia, Mr. R.K. Dalmia, Mrs. Sunita Dalmia and M/s. Narbada Innovative Products Pvt. Ltd., on preferential basis. On perusal of the said report, SEBI observed that the target company had not fulfilled the conditions specified in Regulation 3(1)(c) of the Takeover Regulations and, therefore the said acquisition attracted the provisions of Regulation 11 (1) of Takeover Regulations.

2. Thereafter, SEBI issued a show cause notice dated July 20, 2007 to the applicant and other PACs alleging violation of Regulation 11(1) of Takeover Regulations. The applicant replied to show cause notice vide letter dated August 7, 2007 and an opportunity of personal hearing was granted on August 14, 2008 which the applicant availed. Thereafter, SEBI disposed of the above show cause notice vide its order dated October 10, 2008 directing initiation of adjudication proceedings against the applicant and other PACs.

3. While further proceedings were in progress, the applicant on behalf of himself and other PACs vide letter dated October 22, 2008 applied for settlement of the proposed Adjudication proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated January 7, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs. 6,00,000 (Rs. six lakh only) as settlement charges and Rs. 25,000 (Rs. Twenty five thousand only) as administrative expenses. SEBI accepted the recommendation and communicated the same to the applicant vide letter dated November 10, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 6,25,000 (Rs. six lakh and twenty five thousand only) vide demand draft No 012502 dated November 16, 2009 drawn on HDFC Bank payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said direction to initiate the adjudication proceedings against the applicant and PACs in the matter of Suraj Products Ltd.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
- a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
  - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
7. This consent order is passed on this day, the 26<sup>th</sup> of November, 2009 and shall come into force with immediate effect.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**