

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/S. HINDUSTAN COMPOSITES LIMITED**

**IN THE MATTER OF  
HINDUSTAN COMPOSITES LIMITED**

**CO/CFD/1003/AO/SD/02/2007**

1. SEBI had initiated adjudication proceedings against Hindustan Composites Limited (hereinafter referred to as 'noticee') to inquire into and adjudge under Section 15A(b) of the SEBI Act, 1992 their alleged violation of provisions of Regulations 6(2), 6(4), 7(3) and 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the matter of the delayed compliance/non-compliance in making the requisite disclosures to the stock exchanges where the shares of the noticee were listed at the relevant time. Accordingly, a show cause notice, bearing No. EAD/GBR/88334/2007, dated March 7, 2007 was issued under Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 to the noticee, for the alleged violations of the abovementioned provisions of law by the noticee.
2. Pending the adjudicating proceedings, the noticee made an application dated June 20, 2007 and an affidavit of "Undertakings and Waivers" in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20<sup>th</sup> April, 2007. Pursuant to the said application, the noticee vide letter dated July 31, 2007 had proposed to pay Rs.75,000/- (Rupees Seventy Five Thousand only) towards consent terms in the present matter. The noticee

had also proposed to pay a small amount as administrative cost, if deemed appropriate by the High Powered Advisory Committee (HPAC). The terms as proposed by the noticee were placed before the HPAC meeting held on August 4, 2007 and after considering the facts and circumstances of the case, consent terms offered by the noticee and material put forth before the HPAC by SEBI, the HPAC recommended that the case may be settled on payment of Rs.75,000/- (Rupees Seventy Five Thousand) and administrative charges amounting to Rs.10,000/- (Rupees Ten Thousand).

3. In terms of the noticee's proposal 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 finding of fact or conclusion of law, the noticee has remitted a sum of Rs 85,000/- (Rupees Eighty Five Thousand only), vide Demand Draft No.144238 dated October 26, 2007 drawn on ICICI Bank Limited, Mumbai, towards the terms of consent in the matter.
4. In view of the above, it is hereby ordered that:
  - a) this consent order disposes of the said adjudication proceedings pending against the noticee under the SEBI Act, 1992 in the matter of Hindustan Composites Limited, and
  - b) 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
    - I. any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
    - II. the noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

This consent order is passed on the 26th day of December, 2007 and shall come into force with immediate effect.

**SANDEEP DEORE**  
**ADJUDICATING OFFICER**