

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

**ON THE APPLICATION SUBMITTED BY
HIRRA FERRO ALLOYS LIMITED**

**IN THE MATTER OF
NON COMPLIANCE OF SEBI (DISCLOSURE AND INVESTOR PROTECTION)
GUIDELINES, 2000**

(CONSENT APPLICATION NO. 1314 OF 2009)

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received a consent application vide letter dated May 7, 2009 from Hirra Ferro Alloys Limited (hereinafter referred to as the "applicant") having its Registered office at 567B, 568 & 6553B, Urla Industrial Complex, Raipur (C.G.) India- 493221. The applicant has submitted that the Board of Directors of the applicant decided to issue 78,35,400 bonus shares on July 29, 2008 but the applicant could not allot said bonus shares on account of non receipt of in-principle approval for listing of fresh shares from Madhya Pradesh Stock Exchange Ltd. and Delhi Stock Exchange Ltd.
2. Apprehending that SEBI might initiate enforcement actions against the applicant for not making the bonus issue of 78,35,400 shares within six months from the date of approval of Board of Directors for such issue as per clause 15.1.7 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 the applicant voluntarily filed the consent application proposing settlement of possible non-compliance by it.

3. The applicant proposed revised consent terms vide its letter dated July 5, 2010 for settling the matter through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. After considering facts of the case, the High Powered Advisory Committee constituted by SEBI, had recommend the case for settlement on payment of ₹10,00,000 (Rupees ten lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated August 31, 2010.
4. Accordingly, the applicant has remitted a sum of ₹10,00,000 (Rupees ten lakh only) towards settlement charges vide demand draft No. 633194 dated September 27, 2010 drawn on State Bank of India payable at Mumbai.
5. In view of the above, the failure to comply with Clause 15.1.7 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as aforesaid is settled in terms of this consent order and SEBI shall not initiate any enforcement proceedings against the applicant for the said violation.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions against the 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 undertaking filed in this consent proceeding.
6. This consent order is passed on this day, the 6th of October 2010 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER