

**BEFORE THE ADJUDICATING OFFICER**  
**THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**ON THE APPLICATION SUBMITTED BY**  
**M/S. SHRIRAM FINANCIAL SERVICES HOLDINGS PVT. LTD.**  
**AND PERSONS ACTING IN CONCERT**  
**IN THE MATTER OF**  
**M/S. SHRIRAM OVERSEAS FINANCE LTD.**  
**CO/CFD-DCR/1266/AO/SD/01/2008**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') initiated adjudication proceedings against Shriram Financial Services Holdings Pvt. Ltd (**'SFSHPL'**) alongwith the following persons acting in concert with SFSHPL for their alleged contravention of Regulations 3(3), 3(4) and 3(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as 'Takeover Regulations') in the matter of acquisition of 2186380(10.31%) shares of Shriram Overseas Finance Ltd. (**'SOFL'**) on September 17, 2005 through interse transfer:

- a) Mr. R Thyagrajan
- b) Shriram Chits Karnataka Pvt. Ltd.
- c) Shriram Chits Tamil Nadu Pvt. Ltd.
- d) Shriram Holdings (Madras) Pvt. Ltd.
- e) Mr. R Thyagrajan c/o Shriram Motor Finance
- f) Mr. R Thyagrajan c/o S R Real Estate Finance
- g) Shriram City Union Finance
- h) Pioneer Overseas Pvt. Ltd.

(SFSHPL alongwith the aforesaid persons acting in concert are collectively referred to as **'acquirers'**)

2. Pursuant to the said acquisition of 2186380(10.31%) shares of SOFL, the shareholding of the acquirers increased from 11.59% to 21.9%. Accordingly, a report dated April 21, 2006 was filed under

Regulation 3(4) of the SEBI Takeover Regulations claiming non applicability of Chapter III under Regulation 3(1)(e) of the Takeover Regulations. Upon examination of the said report, non compliance with Regulations 3(3), 3(4) and 3(5) of the Takeover Regulations by the said acquirers were observed by SEBI and the undersigned was appointed as the Adjudicating officer to inquire and adjudge under Sections 15A(a) and 15A(b) read with Section 15I of the SEBI Act, 1992. Accordingly, notices dated November 30, 2006 were issued to the acquirers under Rule 4 of the SEBI(Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 to show cause as to why an inquiry should not be held against them and why penalty not be imposed under the Sections 15A(a) and 15A(b) of the SEBI Act, 1992.

3. Pending the adjudication proceedings, acquirers filed an application dated November 1, 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 acquirers vide letter dated January 4, 2008 proposed to offer Rs.50,000/- (Rupees fifty thousand only) towards consent terms in the matter of said adjudication proceeding initiated by SEBI. The terms as proposed by the acquirers were placed before the High Powered Advisory Committee (**HPAC**) meeting held on January 25, 2008 and HPAC after deliberation recommended the case to be settled on the consent terms proposed by the acquirers. The recommendations of the committee were placed before the two Whole Time Members of the Board who have agreed to the terms of consent as recommended by HPAC.
4. In terms of the proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the acquirers to the finding of fact or conclusion of law, the acquirers have remitted a sum of Rs.50,000/- (Rupees Fifty Thousand only), vide Demand Draft No. 704865 dated March 11, 2008 drawn on City Union Bank Ltd., Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
  - i) this consent order disposes of the said proceedings pending against the acquirers under SEBI Act, 1992 in the matter of SOFL 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 acquirers, if SEBI finds that :-
- a. any representations made by the acquirers in the consent proceedings are subsequently discovered to be untrue.
  - b. the acquirers have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

This consent order is passed on the April 3, 2008 and shall come into force with immediate effect. In terms of Rule 6 of the Adjudication Rules, copies of this Order are sent to the acquirers and to SEBI.

**Sandeep Deore**  
**Adjudicating Officer**

**Place: Mumbai**