

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
R. R. ISPAT LIMITED AND HIRA CEMENT LIMITED**

**IN THE MATTER OF
HIRA FERRO ALLOYS LIMITED**

(CONSENT APPLICATION No. 642 of 2008)

1. On October 30, 2007, R. R. Ispat Limited located at 490/1, Urla Industrial Area, Raipur-493221 and Hira Cement Limited located at Hira Arcade, Near New Bus Stand, Pandri, Raipur-492001 (hereinafter referred to as 'applicants'), acting in concert with each other, acquired 449,000 equity shares of Hira Ferro Alloys Limited (hereinafter referred to as 'target company'). This acquisition increased the shareholding of the applicants in the target company from 40.04% to 51.50%, requiring compliance with Regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as 'Takeover Regulations'). This acquisition qualified for exemption under Regulation 3(1)(e)(iii) from compliance with Regulation 11, had the applicants filed a report under Regulation 3(4) read with 3(5) of the Takeover Regulations in time. The applicants, however, filed the said report with a delay. Thus, the applicants failed to comply with these Regulations and therefore, became liable for appropriate enforcement action.
2. The applicants, vide letter dated April 23, 2008, proposed settlement of the enforcement actions that may be initiated by SEBI for aforesaid failure through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. They proposed revised consent terms vide letter dated September 25, 2008. High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicants and recommended the case for settlement. Accordingly, the applicants shall pay Rs.25,000/- (Rupees twenty five thousand only) towards settlement charges and Rs.25,000/- (Rupees twenty five thousand only) towards administrative expenses. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated January 5, 2009.

3. Accordingly, the applicants, without admitting or denying the guilt, have remitted a sum of Rs.50,000/- (Rupees fifty thousand only) comprising Rs.25,000/- towards settlement charges and Rs.25,000/- towards administrative charges vide demand draft No.104908 dated January 13, 2009 drawn on Oriental Bank of Commerce payable at Mumbai.
4. In view of the above, it is hereby ordered that SEBI shall not take any enforcement action against the applicants for their failure to comply with the aforesaid Regulations in the matter of Hira Ferro Alloys Limited. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing appropriate enforcement proceedings against applicants for the aforesaid non-compliance if:
 - a. any representation made by the applicants in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicants breach any of the consent terms or undertakings filed in this consent proceeding.
5. This consent order is passed on this day, the 24th of March, 2009 and shall come into force with immediate effect.

M. S. Sahoo
Whole Time Member

K. M. Abraham
Whole Time Member