

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

**ON THE APPLICATION SUBMITTED BY
RNR TRADING PRIVATE LIMITED &
RUIA INDUSTRIES PRIVATE LIMITED
IN THE MATTER OF
VINADITYA TRADING COMPANY LIMITED**

(CONSENT APPLICATION NO. 2210/2011)

1. RNR Trading Private Limited (formerly known as Sterling Re-Rolling Mills Private Limited) and Ruia Industries Private Limited (hereinafter referred to as 'the applicants') have filed application vide letter dated January 27, 2011 in terms of the SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007.
2. The applicants, who were earlier part of the promoter group of Vinaditya Trading Company Ltd. (Target Company), have voluntarily proposed to settle the following defaults, through a consent order:-
 - a. the delayed compliance of regulation 7(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the Takeover Regulations) by RNR Trading Private Limited;
 - b. the delayed compliance of regulation 7(1A) of the Takeover Regulations by RNR Trading Private Limited and Ruia Industries Private Limited; and
 - c. failure by applicants to make open offer in terms of regulation 11(2) of the Takeover Regulations with respect to off market purchase of 14,255 shares (9.5%) of the Target Company by RNR Trading Private Limited on February 28, 2003.
3. RNR Trading Private Limited has, *inter alia*, further stated that :
 - a. it acquired 14,255 shares (9.5%) of the Target Company on February 28, 2003 at Rs. 3 per share and sold those shares to a non-promoter in off market transaction on February 06, 2006;

- b. at the time of above acquisition, the promoter's holding in the Target Company was more than 55% and the said acquisition triggered open offer obligation of the applicants under regulation 11(2) of the Takeover Regulations;
 - c. subsequently, M/s Clarus Advisors (India) Pvt. Ltd. and M/s Manas Strategic Consultants Pvt. Ltd. (acquirers), proposed to acquire 64,192 shares (42.8%) of the Target Company through a share purchase agreement (SPA) with the promoters (including the applicants) of the Target Company and made open offer in accordance with regulations 10 and 12 of the Takeover Regulations at the offer price of Rs. 604 per share;
 - d. RNR Trading Private Limited sold the said 9.5% shares of the Target Company on February 6, 2006 and earned Rs. 99,785/- and the applicants have now completely exited from the Target Company pursuant to above stated SPA ;
 - e. the shares of the Target Company are infrequently traded and the offer price of Rs. 604 per share by the acquirers is much higher than the sum of offer price calculated as per regulation 20(5) of the Takeover Regulations during February 2003 and applicable interest thereon;
 - f. even if applicants are now obligated to make open offer with respect to the acquisition of February 28, 2003 the offer price (including 10% interest thereon for delayed period) would be much less than the present offer price of Rs 604 per share and making another open offer with respect to earlier acquisition of February 2003 will not serve the interests of the investors;
4. Vide letter dated July 04, 2011, the applicants have proposed the revised consent terms to settle the alleged non-compliances/violations on payment of Rs. 5,00,000/- (Rupees Five Lakhs Only) towards settlement charges with respect to above mentioned defaults.
5. The High Powered Advisory Committee, constituted by SEBI, considered the consent application filed by the applicants. The Committee considered the consent terms proposed by the applicants and recommended the case for settlement on payment of Rs. 5,00,000/- (Rupees Five Lakhs Only) towards settlement charges. SEBI accepted the said recommendations of the Committee and communicated the same to the applicants vide letter dated August 25, 2011.

6. Accordingly, the applicants have, vide demand draft no. “558777” dated September 09, 2011 drawn on HDFC Bank, Mumbai and payable at Mumbai, remitted a sum of Rs. 5,00,000/- (Rupees Five Lakh Only) towards the settlement charges.
7. In view of the peculiar facts and circumstances of this matter, the alleged non-compliances/violations of the provisions of regulations 7(1), 7(1A) and 11(2) of the Takeover Regulations, as enumerated in the aforementioned consent application, are settled as per above consent terms and SEBI shall not initiate any enforcement action against the applicants for the same.
8. This order is without prejudice to the right of SEBI to initiate enforcement actions against the applicants for the abovementioned delay in 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.
9. This consent order is passed on this the 14th day of February, 2012 and shall come into force with immediate effect.

PRASHANT SARAN
WHOLE TIME MEMBER

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER