

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI  
CONSENT ORDER  
ON THE APPLICATION SUBMITTED BY  
M/S SHRIRAM HOLDINGS (MADRAS) PRIVATE LIMITED AND PERSONS  
ACTING IN CONCERT**

**IN THE MATTER OF  
M/S SHRIRAM OVERSEAS FINANCE LIMITED**

**CO/CFD-DCR/1267/AO/VSS/06/2008**

1. M/s. Shriram Holdings (Madras) Pvt. Ltd. (hereinafter referred to as “**SHMPL**”) filed a report dated April 20, 2006 under regulation 3(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “**SAST Regulations**”) to Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) in respect of acquisition of 21,86,380 shares of M/s Shriram Overseas Finance Limited (hereinafter referred to as “**SOFL**”) on September 19, 2005. With the said acquisition, the shareholding of SHMPL and persons acting in concert with SHMPL (hereinafter collectively referred to as “**acquirer**”) increased from 11.59% to 21.9%. Upon examination of the said report, it was found that the acquirer has not complied with the provisions of regulations 3(3), 3(4) and 3(5) of SAST Regulations.
2. Adjudication proceedings were initiated against certain entities mentioned below to inquire and adjudge under sections 15A (a) and 15A (b) read with section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”). Show Cause Notice/s No.EAD/EAD-5/PG/96612-20/2007 dated June 19 and No.EAD/EAD-5/PG/96753, 96755, 96757, 96759, 96760 & 96762 dated June 20, 2007 were issued under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Rules**”) to the following entities (hereinafter referred to as “**Noticees**”) :
  - 1) M/s. Shriram Holdings (Madras) Pvt. Ltd.
  - 2) Mr. R. Thyagarajan
  - 3) M/s. Shriram Chits Pvt. Ltd.

- 4) M/s. Shriram Chits Karnataka Pvt. Ltd.
- 5) M/s. Shriram Chits Tamilnadu Pvt. Ltd.
- 6) Mr. R Thyagarajan c/o M/s. Shriram Motor Finance
- 7) R Thyagarajan c/o S R Real Estate Finance
- 8) M/s Shriram City Union Finance
- 9) M/s. Pioneer Overseas Pvt. Ltd.
- 10)M/s. Pioneer Asia Industries Pvt. Ltd.
- 11)M/s. Arunshankar Enterprises Pvt. Ltd.
- 12)M/s. Boopathy Investments Pvt. Ltd.
- 13)M/s. Pradeep Shankar Enterprises Pvt. Ltd.
- 14)M/s. Niranjan Sankar Enterprises Pvt. Ltd.
- 15)Mr. Ashok Sankaralingam c/o Pioneer Financial Services

3. The Noticees made an application dated November 01, 2007 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No.EFD/Cir.-1/2007 dated April 20, 2007 for Consent Order in respect of the aforesaid pending adjudication proceedings. Subsequently, the Noticees vide letter dated January 04, 2008 proposed consent terms submitting that they were willing to pay a financial penalty limited to Rs.50,000/-. The terms, as proposed by the Noticees, were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on January 25, 2008. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticees and the material brought before the committee by SEBI and recommended that the case may be settled on payment of Rs.50,000/- (Rupees Fifty Thousand only). 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 pursuance of the aforesaid consent terms, the Noticees have remitted a sum of Rs.50,000/- (Rupees Fifty Thousand only) vide Demand Draft No.704866 dated March 11, 2008 drawn on City Union Bank Limited, Fort (Mumbai) Branch, towards the terms of consent in the matter.
5. In view of above, it is hereby ordered that
  - i) this consent order disposes of the said proceedings pending against the Noticees under SEBI Act, 1992 in the matter of SOFL ;
  - 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 Noticees, if SEBI finds that

- a. any representation made by the Noticees in the consent proceedings is subsequently discovered to be untrue.
  - b. the Noticees have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
6. This consent order is passed on March 31, 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 Noticees and also to SEBI.

**V S Sundaresan**  
**Adjudicating Officer**