

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order: IVD-ID4/2035-2010/AO-JS/CO-01/2012

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
SIGNET SUPPLIERS PRIVATE LIMITED

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated June 18, 2009 had initiated adjudication proceedings against Signet Suppliers Private Limited (hereinafter referred to as the '**noticee**'), to inquire into and adjudge under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulation 4(1), 4(2)(a), (b) and (g) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 alleged to have been committed by the noticee in respect of its dealings in the scrip of GHCL Ltd.
2. The investigation was initiated based on an NSE report wherein a sharp price and volume variation was observed during the period February 01, 2006 to March 30, 2006. The noticee had received shares from a promoter entity of GHCL Ltd. and had subsequently executed self trades by placing orders in a synchronized manner with identical rate and quantity of shares thereby creating artificial volume in the market.

3. I was appointed as the Adjudicating Officer for the aforesaid adjudication proceedings vide order dated June 18, 2009 under section 15 I of SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
4. The Show Cause Notice dated November 30, 2009 was served on the noticee. Pending adjudication proceedings, the noticee submitted a consent application dated June 10, 2010 and undertakings in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Subsequently, the noticee vide its letter dated October 21, 2011 proposed revised consent terms of ₹1,00,000/- (Rupees One Lakh only) towards settlement charges in respect of the aforesaid proceedings before SEBI. The revised consent terms as proposed by the noticee were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) and the HPAC considered the facts and circumstances of the case, the proposed revised settlement terms offered by the noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI. The acceptance of the consent proposal was communicated to the noticee vide SEBI's letter dated April 17, 2012.
5. In terms of the proposal of the noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the findings of fact or conclusions of law, the noticee has submitted a sum of ₹1,00,000/- (Rupees One Lakh only) favouring Securities and Exchange Board of India vide Demand Draft no. 050164 dated 28/04/2012 drawn on Axis Bank Ltd. towards the terms of consent in the matter.

6. In view of the above, it is hereby ordered that:
- i. this consent order disposes of the adjudication proceedings initiated against the noticee under SEBI Act, 1992, 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 noticee, if SEBI finds that:
 - a. any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Signet Suppliers Private Limited and also to the Securities and Exchange Board of India, Mumbai.
8. This consent order is passed on May 07, 2012 and shall come into force with immediate effect.

Place: Mumbai

**JEEVAN SONPAROTE
ADJUDICATING OFFICER**