

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**M/s. SG GLOBAL EXPORTS LIMITED
&
Shri SANJIV GUPTA and Smt. RACHNA GUPTA**

**IN THE MATTER OF
M/s. SG GLOBAL EXPORTS LIMITED
(Formerly known as M/s. TINA EXPORTS LIMITED)**

(CONSENT APPLICATION NO.1221/2009)

1. Securities and Exchange Board of India (SEBI) conducted investigations into the trading in the scrip of M/s. SG Global Exports Limited, a company listed at Bombay Stock Exchange, Delhi Stock Exchange and Ludhiana Stock Exchange (LSE), on the basis of an appraisal report received from Income Tax Department. The said report dealt with the capital gains/losses engineered by various entities through members of LSE. SEBI investigations, *prima facie*, revealed that during the period 1998-1999, certain members/brokers of LSE were involved in issuance of fictitious contract notes to enable their clients to obtain capital gain entries arising out of the trades in the shares of M/s. SG Global Exports Limited. This was being done in connivance with the company and its registrar. Pursuant to the said investigations, SEBI initiated proceedings under Section 11B of SEBI Act, 1992 read with relevant provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations (hereinafter referred to as 'PFUTP Regulations'). Accordingly, show cause notice No.IVD/NRO/03/336/2004/22566 dated January 17, 2005 was issued to M/s. SG Global Exports Limited and its directors, Shri

Sanjiv Gupta and Smt. Rachna Gupta (jointly referred to as 'the applicants') alleging violation of the provisions of regulations 4(c) and 6(d) of PFUTP Regulations, 1995 read with regulations 4(2)(b) and 4(2)(p) of PFUTP Regulations, 2003, and calling upon the applicants to show cause as to why appropriate directions should not be issued against them.

2. While the proceedings pursuant to the same were in progress, the applicants, vide application dated December 15, 2008, proposed settlement of the said proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicants proposed revised consent terms vide letter dated October 11, 2010, whereby the applicants undertook to pay ₹ 6,00,000/- (Rupees Six Lakh only) towards settlement charges. The consent terms proposed by the applicants were placed before the High Powered Advisory Committee which, after deliberations, recommended that the aforesaid pending proceedings may be settled on the terms proposed by the applicants. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated December 22, 2010.
3. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicants, the applicants have remitted a total sum of ₹ 6,00,000/- (Rupees Six Lakh only) vide Demand Draft No.026023 dated December 30, 2010 for ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) and Demand Draft No.026228 dated January 28, 2011 for ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand only) drawn on Punjab National Bank, Mumbai.
4. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings initiated against M/s. SG Global

Exports Limited and its directors, Shri Sanjiv Gupta and Smt. Rachna Gupta in the matter.

5. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against the applicants, 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.
6. This consent order is passed on this day, the 17th of February, 2011.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER