

**BEFORE THE ADJUDICATING OFFICER,
SECURITIES AND EXCHANGE BOARD OF INDIA
[Consent Order No. AP/AO- 4 / 2008-2009]**

CONSENT ORDER

**ON THE APPLICATIONS SUBMITTED BY
M/s M.J. PATEL SHARE & STOCK BROKERS LTD.**

**IN THE MATTER OF
COROMANDAL FERTILIZERS LTD.
(CONSENT APPLICATION NO. 552 OF 2008)**

1. National Stock Exchange (hereinafter referred to as "NSE") initiated investigation in the case of Coromandal Fertilizers Ltd. (hereinafter referred to as "CFL") on the basis of internal alerts generated for rise in price and volume, volatility and member concentration. The closing price of the scrip has risen from Rs. 81.45 on October 15, 2003 to Rs. 150.25 on December 15, 2003, an increase of 84.46% during the period of investigation. The Bombay Stock Exchange (hereinafter referred to as "BSE") was also asked to conduct an investigation for the above mentioned period and submit the report. BSE submitted its report to SEBI on March 04, 2005. Upon receipt of observations of NSE and BSE, the preliminary investigation in the scrip was carried out by SEBI for the trading period October 15, 2003 to December 15, 2003. The trade and order log for the period was analyzed to uncover any instance of manipulative trades. The price volume data for the period was analyzed in conjunction with the corporate news and developments reported during the period. Explanations were sought from the brokers including M/s M.J. Patel Share & Stock Brokers Ltd. (hereinafter referred as the "applicant") and their clients who were allegedly involved in daily reversal of trades on many days.
2. Pursuant to the investigations, I was appointed as Adjudicating Officer to inquire into and adjudge under Section 15 I read with Section 15 HA and 15 HB of the Securities and Exchange Board of India Act, 1992 and issued a common Show Cause Notice No. EAD/AP/ADJ/68060/06 dated May 30, 2006 under Rule 4(1) of SEBI (Procedure For Holding Enquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15 I of the SEBI Act, 1992 to the above applicant, for the alleged violations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 as detailed in the said Show Cause Notice. Reply to the said Show Cause Notice was received and an opportunity of personal hearing was granted to the applicant on July 25, 2006.
3. While further proceedings in the matter were in progress, the applicant vide an application dated March 03, 2008 proposed settlement of the said proceedings in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007 through a consent order. The High Powered Advisory Committee (HPAC) considered the

consent terms proposed by the applicant and recommended the case for settlement as under:

"The case may be settled on payment of Rs. 3,00,000/- (Rupees Three Lakh Only) towards the settlement charges as offered by the applicant."

The recommendations of the HPAC were accepted by SEBI and communicated to the applicant.

4. Accordingly, M/S. M. J. Patel Share & Stock Brokers Ltd., the applicant, without admitting or denying the charges have remitted a sum of Rs 3,00,000/- (Rupees Three Lakh only) vide Pay Order No. 256711 dated December 11, 2008 drawn on Bank of India, Mumbai towards settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of Consent Application No. 552 of 2008 of M/S. M. J. Patel Share & Stock Brokers Ltd. arising out of the Show Cause Notice dated May 30, 2006, under SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 pending against the Applicant in the matter of Coromandal Fertilizers Ltd.
6. This order is without prejudice to the right of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the applicant if:
 - a. any representation made by the applicant in the consent proceedings are subsequently discovered to be untrue.
 - b. the applicant breaches any of the clauses/ conditions of undertakings/ waivers filed before SEBI in the current consent proceedings with SEBI.
7. This consent order is passed on, the January 06, 2009 and shall come into force with immediate effect.

Delhi
Dated: January 06, 2009

Amit Pradhan