

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
TAURUS MUTUAL FUND**

**IN THE MATTER OF  
DCM SHRIRAM CONSOLIDATED LIMITED  
(CONSENT APPLICATION NO.388/2007)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular transactions in the shares of DCM Shriram Consolidated Limited for the period March 14, 2001 - April 24, 2001. The investigations, *prime facie*, revealed that the Taurus Mutual Fund (hereinafter referred to as the 'applicant') along with its sponsor HB Group entered into various structured/cross deals with one CFL Group and other connected entities in the scrip of DCM Shriram Consolidated Ltd. These tradings resulted in creation of artificial volumes and price rise in the shares.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 and adjudication proceedings under Section 15D (b) and (f) of the SEBI Act, 1992 against the applicant. The Enquiry Officer issued a show cause notice dated August 19, 2004 alleging that the applicant had violated provisions of Regulations 4(1),(2) (a) (b) (e) (g) (n) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Regulations 18 (6) (7) (8) (9), 25 (1) (2) (16), 68 (a) (g) (h), 18(22) read with clauses (1) (4) (6) (8) (9) of Code of Conduct as provided in the Fifth Schedule of the SEBI (Mutual Fund) Regulations, 1996. The applicant,

vide letter dated March 03, 2005, filed a reply to the show cause notice. The Enquiry Officer completed the proceedings and submitted his report to SEBI. The Adjudicating Officer issued a show cause notice dated November 17, 2005. The applicant, vide letter dated September 30, 2005 filed a reply to the said show cause notice. An opportunity of personal hearing was provided to the applicant by the Adjudicating Officer on May 17, 2006.

3. While further proceedings in the matter were in progress, the applicant, vide letter dated December 03, 2007, proposed settlement of the pending proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The High Powered Advisory Committee constituted by SEBI considered the consent terms and recommended the case for settlement. Accordingly the applicant shall pay Rs.20,00,000/- (Rupees twenty lakh only) towards settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated September 24, 2008.
4. Accordingly, the applicant has, without admitting or denying the charges, remitted a sum of Rs. 20,00,000 (Rupees twenty lakh only) vide demand draft No. 259091 dated October 01, 2008 drawn on HDFC Bank Ltd, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings and the adjudication proceedings pending before SEBI against the applicant in the matter of DCM Shriram Consolidated Limited.

6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing / reopening of the proceedings pending against the applicant, if:
- a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue.
  - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
7. This consent order is passed on this day, the 28<sup>th</sup> of November, 2008 and shall come into force with immediate effect.

**T. C. NAIR**  
**WHOLE TIME MEMBER**

**M. S. SAHOO**  
**WHOLE TIME MEMBER**