

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER**

CO/ISD/2053/AO/PG/51/2010

**In respect of
M/s. Pathik Merchandise Pvt. Ltd.
(PAN: AACCP5777G)
In the matter of
GHCL Ltd.**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide order dated October 22, 2008, initiated adjudication proceedings against **M/s. Pathik Merchandise Pvt. Ltd.**, (hereinafter referred to as "**Pathik**") 203 Pankaj House, H-Pocket Sarita Vihar New Delhi 110076 for allegedly violating regulation 4(2)(a) and (g) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") and, therefore, liable for monetary penalty under section 15HA of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**").
2. Vide order dated October 22, 2008 Mr V.S. Sundaresan was appointed as Adjudicating Officer 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 (hereinafter referred to as "**Rules**") to inquire into and adjudge the alleged violations of the provisions of SEBI Act and PFUTP Regulations by Pathik.

Consequent to transfer of Mr. V S Sundaresan, vide order dated November 12, 2009 I have been appointed as Adjudicating Officer.

3. SEBI had conducted an investigation into the trading and dealings in the scrip of M/s. GHCL Ltd. (hereinafter referred to as “**GHCL**”) for the period from November 01, 2006 to March 31, 2007. The investigation revealed that Pathik allegedly executed several synchronized trades and created artificial volume in the scrip of GHCL. Therefore, as mentioned above, adjudication proceedings were initiated against Pathik.
4. While Adjudication Proceedings were in progress, Pathik submitted an application dated July 12, 2010 before SEBI and the Undertaking / Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for Consent Orders in respect of the aforesaid proceedings. Subsequently, vide letter dated August 9, 2010 Pathik proposed to pay a sum of ₹6,00,000/- (Rupees Six lakh only) as revised consent terms towards settlement of charges.
5. The revised terms as proposed by Pathik were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on August 17, 2010. The HPAC, after considering the facts and circumstances of the case, the material brought before it by SEBI and the consent terms offered by Pathik, recommended that the case may be settled on payment of ₹6,00,000/- (Rupees Six lakh only) towards settlement charges. Thereafter, vide letter dated September 20, 2010 SEBI communicated to Pathik its acceptance of the revised consent terms and advised it to pay the amount accordingly. Pathik has remitted a sum of ₹6,00,000/- (Rupees Six lakh only), vide Demand Draft No.003837 dated September 24, 2010 drawn on HDFC Bank towards the terms of consent in the matter.

6. In view of above, it is hereby ordered that,
- (i) This consent order disposes of the said proceedings pending against Pathik under Securities and Exchange Board of India 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 Pathik, if SEBI finds
 - (a) that any representation made by Pathik in the consent proceedings is subsequently discovered to be untrue.
 - (b) Pathik has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. This consent order is passed on September 30, 2010 and shall come into force with immediate effect.
8. In terms of rule 6 of the Adjudication Rules, copies of this order are being sent to M/s. Pathik Merchandise Pvt. Ltd and to Securities and Exchange Board of India.

Date: September 30, 2010
Place: Mumbai

Piyoosh Gupta
Adjudicating Officer