

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

CONSENT ORDER

ON THE APPLICATION(S) SUBMITTED BY

SYSTEMATIX SHARES & STOCKS (I) LTD.
(Formerly Southern Shares and Stocks Ltd.)
(SEBI Regn.No. INB 011132736)

**IN THE MATTER OF
GRANULES INDIA LTD.**

(CONSENT APPLICATION NO. 202/2008)

1. SEBI had conducted investigations in to the price movement in the shares of Granules India Ltd. during December 19, 2002 to January 23, 2003. The investigation *prima facie* revealed that Systematix Shares & Stocks (I) Ltd. (hereinafter referred to as 'applicant'), a broker (SEBI Regn. No.INB 011132736) of Bombay Stock Exchange Limited, had indulged in synchronized trades while executing the orders for its clients in the shares of the company.
2. Pursuant to the investigation SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty), Regulations, 2002 against the applicant. The Enquiry Officer issued a show cause notice dated February 12, 2007 alleging that the applicant had violated provisions of regulation 4(a) & (b) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 1995 and Clause A(1), (3) & (4) of the Code of Conduct as specified in Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. The applicant replied to the said show cause notice on March 07, 2007. He was also heard by the Enquiry Officer on June 27, 2007.
3. While the above proceedings were in progress, the applicant vide letter dated October 09, 2007 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. He proposed revised consent terms vide letter dated March 13, 2008. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and, after taking into account all the facts and circumstances of the case, recommended the case for settlement. Accordingly, the applicants shall pay Rs.2,00,000/- (Rupees two lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated December 04, 2008.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 2,00,000/- (Rupees two lakh only) towards settlement charges vide demand draft No. demand draft No.502070 dated December 06, 2008 drawn on Axis Bank Ltd., Mumbai.

5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending against the applicant in the matter of Granules India Ltd.
6. A copy of this Order shall be served on the Bombay Stock Exchange Ltd. of which the applicant is a broker.
7. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
8. This consent order is passed on this day, the 29th of December 2008 and shall come into force with immediate effect.

Sd/-
M. S. Sahoo
Whole Time Member

Sd/-
K. M. Abraham
Whole Time Member