

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

On the Application submitted by
Mr. Anand Prakash Sanghi (Karta of HUF)
Mr. Amit Sanghi
Mr. Siddharth Sanghi
Mr. Aditya Sanghi
Mr. Alok Sanghi
Mr. Ashish Sanghi
Mr. Gaurav Sanghi
Mr. Sudhir Sanghi (HUF)
Mr. Ravi Sanghi (HUF)
Mr. Gireesh Sanghi (HUF)

In the matter of Sanghi Industries Limited

CO/CFD/1671/AO/VSS/48/2008

1. On examination of the report filed under regulation 3(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as “**SAST**”) in respect of the acquisition of 22.35% shares of Sanghi Industries Limited (hereinafter referred to as “**SIL**”) on January 16, 2006 by way of inter-se transfer of shares amongst the promoters by Mr. Anand Prakash Sanghi (Karta of HUF), Mr. Amit Sanghi, Mr. Siddharth Sanghi, Mr. Aditya Sanghi, Mr. Alok Sanghi, Mr. Ashish Sanghi, Mr. Gaurav Sanghi, Mr. Sudhir Sanghi (HUF), Mr. Ravi Sanghi (HUF), Mr. Gireesh Sanghi (HUF) (hereinafter collectively referred to as “**Noticees**”), it was alleged that the Noticees had failed to notify the details of the acquisition to the stock exchanges

- at least 4 working days prior to the acquisition in terms on regulation 3(3) of SAST. Therefore, adjudication proceedings were initiated against the Noticees to inquire and adjudge the alleged violation of the provisions of regulation 3(3) of SAST under sections 15A (b) read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, Show Cause Notice/s dated April 3, 2008 were issued to the Noticees under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
2. In the meantime, the Noticees made an application dated May 15, 2008 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for Consent Order in respect of the aforesaid SCN before SEBI and proposed consent terms, stating reasons of the delay and subject to clauses of the undertakings and waivers, and submitting that they were willing to pay a sum of Rs.50,000/- (Rupees Fifty Thousand only) towards consent terms. Thereafter, during the Internal Committee Meeting dated August 6, 2008 the Noticees proposed to offer a sum of Rs.1,00,000/- (Rupees One Lakh only) towards revised consent terms. The revised consent terms as proposed by the Noticees were placed before the High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) on September 25, 2008. The HPAC considered the facts and circumstances of the case, revised consent terms offered by the Noticees and the material brought before it by SEBI and recommended that the case may be settled on payment of Rs.1,00,000/- (Rupees One Lakh only). The recommendations of HPAC were placed before the panel of two Whole Time Members of the SEBI Board who have agreed to the terms of consent as recommended by the HPAC.
 3. SEBI vide letter dated October 22, 2008 communicated to the Noticees, the recommendations of HPAC that the case may be settled

on payment of Rs.1,00,000/-. The Noticees, vide letter dated November 1, 2008, in pursuance of the aforesaid, remitted a sum of Rs.1,00,000/- (Rupees One Lakh only), vide Demand Draft No.720515 dated November 1, 2008 drawn on ICICI Bank, Nariman Point, Mumbai, towards the terms of consent in the matter.

4. In view of above, it is hereby ordered that,

- i) This consent order disposes of the said proceedings pending against the Noticees under Securities and Exchange Board of India Act, 1992 in the matter of SIL, 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 the Noticees, if SEBI finds that
 - a. any representation made by the Noticees in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticees has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

5. This consent order is passed on November 12, 2008 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer