

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
VYOMIT SHARES STOCK & INVESTMENTS PVT. LTD.
(SEBI Regn. No. INB010960633; PAN AAACV3499H)

IN THE MATTER OF ENQUIRY PROCEEDINGS

(CONSENT APPLICATION NO. 1146 OF 2008)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Himachal Futuristic Communications Ltd. (hereinafter referred as HFCL) and Global Telesystems Ltd. (hereinafter referred as GTL) during October 1999 to March 2001. The investigations *prima facie* revealed that Vyomit Shares Stock & Investments Pvt. Ltd. (hereinafter referred to as 'the applicant') a member of Bombay Stock Exchange Ltd. having Office at 7, Balkrishna, 98, Sion (E), Mumbai- 400022, had indulged in synchronized trades while executing the orders for its clients in the shares of HFCL and GTL.
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. SEBI issued a show cause notice dated November 08, 2004 alleging that the applicant had violated the provisions of Regulation 4(b), (c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with 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 February 16, 2005. An opportunity of personal hearing was granted to it on November 18, 2008, which the applicant availed.
3. While the above proceedings were in progress, the applicant, vide letter dated December 08, 2008, proposed settlement of the said enquiry proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. It proposed revised consent terms vide letter dated January 12, 2009. High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.25,000/- (Rupees twenty five thousand only) towards settlement charges and suffer suspension of certificate of registration for a period of one year. SEBI accepted the said recommendation and communicated the same to the applicant vide letter dated March 20, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 25,000/- (Rupees twenty five thousand only) towards settlement charges vide demand draft No.002246 dated March 23, 2009 drawn on State Bank of Travancore, Mumbai payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings initiated vide show cause notice no.IVD/ID2/KP/25383 dated Nov 08, 2004 pending against the applicant. It is also ordered that certificate

of registration of Vyomit Shares Stock & Investments Pvt. Ltd. bearing no. INB010960633 as a member of Bombay Stock Exchange Ltd. is suspended for a period of one year from the date of this order.

6. A copy of this order shall be served on the Bombay Stock Exchange Ltd. of which the applicant is a broker to ensure that the certificate of registration is suspended for a period of one year as prohibited in para 5.
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 9th April, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER