

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

**ON THE APPLICATION SUBMITTED BY
GRISHMA SECURITIES PVT. LTD**

**IN THE MATTER OF
ADANI EXPORTS LIMITED**

(CONSENT APPLICATION NO. 1257 OF 2009)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of Adani Exports Limited (hereinafter referred to as the 'Company') for the period November 27, 2003 - December 23, 2003. The investigations, *prima facie*, revealed that Grishma Securities Pvt. Ltd (hereinafter referred to as the 'applicant') had indulged in synchronized trades which matched in terms of order time, quantity and price and reversal of trades on behalf of its clients with the same set of brokers/clients on the opposite side which resulted in creation of artificial volumes and gave misleading impression of trading in the scrip of the company.
2. Pursuant to the investigations, 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 March 07, 2006 for the alleged violations of Regulation 4(1), 4(2) (a) (b) (e) (g) and (n) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Markets)

Regulations, 2003 and Regulation 7 read with Claus A(1), (2), (3), (4) and (5) of Code of conduct specified under Schedule II of the SEBI (Stock Brokers and Sub brokers) Regulations, 1992 in respect of the aforesaid irregular transactions. The applicant submitted its reply thereto vide letter dated April 17, 2006. Also, Adjudication proceedings were initiated under Section 15HA and 15HB of the SEBI Act, 1992 against the applicant and a show cause notice dated May 31, 2006 was issued to the applicant by the Adjudicating officer. The applicant submitted its reply thereto vide letter dated June 23, 2006.

3. While the above proceedings were in progress, the applicant vide letter dated June 12, 2009 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 applicant proposed revised consent terms vide letter dated June 26, 2010. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) which, after deliberations, recommended that the case may be settled on payment of Rs.3,00,000 (Rupees three lakh only) towards settlement charges. SEBI accepted the recommendations of the HPAC and communicated the same to the applicant vide letter dated August 04, 2010.
4. Accordingly, the applicant without admitting or denying the charges has remitted a sum of Rs.3,00,000 (Rupees three lakh only) towards settlement charges vide demand draft No. 570779 dated August 05, 2010 drawn on Axis Bank Ltd, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the pending Enquiry as well as the Adjudication proceedings against the applicant in the matter of Adani Exports Limited.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or 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; or
 - b. the applicant breaches any of the consent terms or undertaking filed in this consent proceeding.
7. This consent order is passed on this day, the 13th of August, 2010 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER