

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**M/s. SAMRIDHI SHARE & STOCK BROKER LIMITED
(PAN No.AACCS2258P)**

**IN THE MATTER OF
M/s. SHREEVATSA FINANCE AND LEASING LIMITED**

(CONSENT APPLICATION NO. 1140/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the buying, selling or dealing in the scrip of Shreevatsa Finance & Leasing Limited (hereinafter referred to as 'SFLL'). These investigations, *prima facie*, revealed that during the period 1999-2000 M/s. Samridhi Share and Stock Brokers Limited (hereinafter referred to as 'applicant') had indulged in structured transactions with counterparty brokers, in the scrip of SFLL. It was alleged that the applicant had violated the provisions of Regulation 4(b) and 4(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 read with Regulation 4(2) (a) & (b) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Clauses A(1), A(2), A(4) and A(5) of Code of Conduct prescribed under Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings against the applicant. The Enquiry officer submitted her report dated November 30, 2004 wherein she recommended that the certificate of registration granted to the applicant by SEBI be suspended for a period of two months. Thereafter, SEBI issued a show cause notice No. IVD/NRO/03/339/RB/22498 dated January 6, 2005 to the applicant under

Regulation 13(2) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. While the proceedings pursuant to the same were in progress, the applicant, vide application dated December 12, 2008, 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. The applicant proposed revised consent terms vide letter dated April 20, 2009, whereby the applicant undertook to pay Rs.1,00,000/- (Rupees One lakh only) towards settlement charges. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee which recommended that the case may be settled on the terms proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 4, 2009.

3. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant, the applicant has remitted a sum of Rs.1,00,000/- (Rupees One lakh only) vide Demand Draft No.245696 dated September 10, 2009 drawn on Standard Chartered Bank.
4. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant in the matter.
5. 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 undertakings filed in this consent proceeding.

6. This consent order is passed on this day, the 15th of October, 2009.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER