

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

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
M/s. PHULCHAND SONS INVESTMENTS PVT. LTD.**

**IN THE MATTER OF
M/s. GRANULES INDIA LTD.**

CO/ID3/1045/20/2008

1. SEBI conducted investigation in case of alleged price manipulation in the scrip of Granules India Ltd. Pursuant to investigations, proceedings under S.11B and S.11(4) were initiated against the applicant, M/s. Phulchand Sons Investments Pvt. Ltd. SEBI vide its show cause notice with ref. no. IVD/ID3/PKB/AA/GIL/9016/2007 dated March 29, 2007 has alleged that the applicant has violated Regulation 4 (a), (b), (c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. The said proceedings are pending with SEBI.
2. The applicant made an application dated July 25, 2007 alongwith an affidavit in the format prescribed by SEBI for settlement of the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Thereafter applicant has proposed vide letter dated August 31, 2007 revised consent terms submitting that "pursuant to our application dated 25th July, 2007, we propose to offer Rs.50,000/- (rupees fifty thousand only) and a voluntary bar from buying, selling or dealing in securities for a period of six months towards consent terms in the matter." The consent terms proposed by the applicant have been placed before High Powered

Advisory Committee (HPAC) and HPAC after deliberation recommended the case for settlement on the consent terms proposed by the applicant.

3. In terms of the applicant's proposal for the sole purpose of setting the matter on hand and without admission or denial of guilt on the part of the finding of fact or conclusion of law, applicant has remitted a sum of Rs.50,000/- (rupees fifty thousand only) vide Demand Draft no.199807 dated 15/10/2007 drawn on HDFC Bank Ltd., Mumbai.
4. In view of the above, it is hereby ordered that:
 - i. the applicant shall not buy, sell or deal directly or indirectly in securities for a period of six months from the date of the order,
 - ii. this consent order disposes of the said proceedings initiated under S.11B and S.11(4) pending before SEBI against the applicant in the matter of M/s. Granules India Ltd. and
 - iii. passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action against the applicant in the consent proceedings are subsequently discovered to be untrue.

This consent order is passed on this the 15th February, 2008 and shall come into force with immediate effect.

G.Anantharaman
Whole Time Member

T.C.Nair
Whole Time Member