

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Misc. Application No.33 of 2008

In

Appeal No. 79 of 2007

Date of decision : 24.4.2008

Adani Properties Pvt. Ltd. Appellant

Versus

Securities and Exchange Board of India Respondent

Mr. Madhur R. Baya Advocate for the Appellant.

Dr. Poornima Advani Advocate and Ms. Sejal Shah Advocate for the Respondent.

Coram : Justice N.K. Sodhi, Presiding Officer
Arun Bhargava, Member
Utpal Bhattacharya, Member

Per : Justice N.K. Sodhi, Presiding Officer (Oral)

This order will dispose of 7 applications and 7 Appeals no. 79 to 85 of 2007 filed by the appellants praying for an order approving the consent terms as settled before the High Powered Committee all of which are directed against the same order. These appeals are directed against the order dated 25.5.2007 passed by the whole time member of the Securities and Exchange Board of India (for short the Board) prohibiting

the appellants from accessing the securities market directly or indirectly and also prohibiting them from buying, selling or otherwise dealing in securities in any manner whatsoever for a period of two years. By the time these appeals came up for hearing and before this Tribunal granted stay of the operation of the impugned order, the impugned order had already come into operation and the appellants had remained out of the market for a period of about 50 days.

Investigations carried out in the scrip of Adani Exports Limited (hereinafter called the company) revealed that there was an association between Ketan Parekh group of entities and Adani group to which the appellant belong. It was noticed that there was movement of shares from Adani group to Ketan Parikh entities and vice-versa and that there was also movement of funds to and fro from Adani group of companies to Ketan Parikh entities. On a detailed enquiry conducted by the Board it was established that various market irregularities/illegalities had been committed during the course of the trading in the scrip of the company. The Board by impugned order imposed the penalty on the appellants belonging to the Adani group and restrained them from accessing the capital market as aforesaid.

During the pendency of the appeals, the appellants filed applications before the Board for a consent order in terms of the Board's circular dated April 20, 2007. Those applications were processed and sent to the High Powered Committee where the terms of the consent after negotiations had been finalized. The recommendations of the Committee were then placed before two whole time members of the Board. M/s. Adani Agro Pvt. Ltd. one of the appellants undertook to pay a sum of

Rs.10,50,000/- whereas the other appellants agreed to pay a sum of Rs.7.5 lacs each. These terms were accepted by the Committee and the dispute was agreed to be settled on payment of the aforesaid amounts. Since the terms were settled during the pendency of these appeals, the present applications have been filed seeking permission of this Tribunal to settle the issue on payment of the aforesaid amounts.

We have heard the learned counsel for the parties and perused the original record which has been produced. Having regard to the facts and circumstances of the case we are of the opinion that the terms settled between the parties appear to be fair and reasonable and that the ends of justice would be adequately met if the dispute involved in the appeals is settled on payment of the amounts aforesaid. We order accordingly. The applications and the appeals stand disposed of as above with no order as to costs.

Justice N.K. Sodhi
Presiding Officer

Arun Bhargava
Member

Utpal Bhattacharya
Member

24.4.2008
ddg/-

