

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
M/S. RATNAKAR FINSTOCK Pvt. Ltd.

IN THE MATTER OF
PRIYANS SAREE INDUSTRIES LTD.

CO/IVD3/1006/03/2007

1. SEBI conducted an investigation into the sudden price rise in the scrip of Priyans Saree Industries Ltd. Pursuant to the investigation, enforcement proceedings were initiated against various entities/ persons in the matter. Accordingly, enquiry proceedings were initiated against the applicant M/s Ratnakar Finstock Pvt. Ltd., Stock Broker, Ahmedabad Stock Exchange. It has been alleged that the applicant was involved in structured deals in the form of cross deals and self trades. The enquiry officer issued a Show Cause Notice vide ref. No. EAD/BS/PSIL/86720/07 dated February 19, 2007 to the applicant. The applicant was charged with violation of the provisions of clause A(1), (3) and (4) of Code of Conduct specified for stock brokers as contained in Regulation 7 of Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992. The said enquiry proceedings are pending against the applicant.
2. The Applicant made an application dated June 28, 2007 and an affidavit of “undertakings / waivers” in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Pursuant to the above application, applicant vide letter dated 2nd August 2007 has proposed revised consent terms submitting that “I hereby propose to pay Rs. 5,00,000/- (Rs. Five Lakh Only) as the term of consent in the enquiry proceeding initiated by SEBI in the matter of Priyan Saree Ltd.” The consent terms proposed by the applicant have been placed before the 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 settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, applicant has remitted a sum of Rs.5,00,000/- (Rupees Five lakh only) vide Demand Draft No. 016126 dated 12.10.2007 drawn on Central Bank of India, Mumbai, towards the terms of consent in the matter.

4. In view of the above, it is hereby ordered that:

- i) this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant in the matter of Priyans Saree Industries Ltd., and
- ii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action including commencing / reopening of the pending proceedings against the applicant, if SEBI finds that -
 - a. any representations made by the applicant in the consent proceedings are subsequently discovered to be untrue.
 - b. the applicant has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

This consent order is passed on this the 20th of November, 2007 and shall come into force with immediate effect.

G. Anantharaman
Whole Time Member

T. C. Nair
Whole Time Member