

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CO/ISD/1443/AO/PKB/ 135/2009

Under section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

In respect of
Shri Kishore Thakural and Shri Jay Thakural
(PAN: AABPT2518H and ADVPT1405A)

1. SEBI, vide order dated February 8, 2008, initiated adjudication proceedings against Shri Kishore Thakural and Shri Jay Thakural (hereinafter referred to as the 'noticees') for allegedly violating Regulations 3 (c) and 4 (1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Shri D. Sura Reddy was appointed as the adjudicating officer. A show cause notice dated July 15, 2008 was issued to the noticees by the then adjudicating officer.
2. The IPO issue of Atlanta Ltd was open for subscription from September 1, 2006 to September 7, 2006 at a price band of Rs. 130-150 per equity share. Out of the total issue of 43, 00,000 shares, the company had reserved 2, 00,000 shares for the employees of Atlanta Ltd. It was observed that the noticees are partners in Atlanta Thakural Construction JV. Shri Kishore Thakural had allegedly paid a net amount of Rs. 6,47,1000/- to four employees of Atlanta Ltd. and Shri Jay Thakural had allegedly paid a net amount of Rs. 3,25,200/- to two employees of Atlanta Ltd., which was then utilised to make payments towards subscription money in the IPO issue. Immediately upon allotment of shares, the employees of Atlanta Ltd. had transferred a total of 4,314 shares through off-market transactions to Shri Kishore Thakural and 2,168 shares to Shri Jay Thakural. The noticees were therefore alleged to have used the employees as a conduit to corner the IPO shares reserved under employee quota and that they had made

gains by fraudulently cornering the shares reserved for the employees of Atlanta Ltd.

3. Pursuant to the transfer of Shri. D. S. Reddy the undersigned has been appointed as Adjudicating Officer vide order dated December 10, 2008.
4. Pending the adjudication proceedings, the noticee made an application dated July 23, 2009, and an affidavit in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007. Pursuant to the said application, the noticees vide letters dated August 20, 2009 proposed to pay a consolidated amount of Rs. 50,000/- (Rupees Fifty Thousand Only) each towards revised consent terms.
5. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") on September 15, 2009 and HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the applicant. Thereafter, SEBI vide letter dated October 9, 2009 conveyed to the applicants that SEBI had in principle agreed to accept the recommendation of HPAC and advised the applicant to pay in accordance with the revised consent terms.
6. In terms of the proposal of the noticees for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticees to the finding of fact or conclusion of law, the noticees have remitted a sum of Rs. 50,000/- (Rupees Fifty Thousand Only) each, vide Demand Draft Nos. 001001 and 001002 dated October 20, 2009 favouring SEBI, drawn on HDFC Bank. Mumbai, towards the terms of consent in the matter.
7. In view of the above, it is hereby ordered that:
 - i) This consent order disposes of the said adjudication proceedings pending against the noticees under SEBI Act, 1992 and

- ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the noticee, if SEBI finds that:
 - a. Any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. The noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
- 8. This consent order is passed on the 28th day of October, 2009 and shall come into force with immediate effect.
- 9. In terms of Rule 6 of the Adjudication Rules, copies of this order are being sent to the noticees and also to the Securities and Exchange Board of India.

Date: October 28, 2009

Place: Mumbai

P. K. BINDLISH

ADJUDICATING OFFICER