

CO/IVD-1/ 1465 / 300 /2009
BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
SHRI JIMMY GAZDAR

IN THE MATTER OF
COCHIN MALABAR ESTATE AND INDUSTRIES LTD

(CONSENT APPLICATION NO. 1465 OF 2009)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of Cochin Malabar Estate & Industries Limited (hereinafter referred to as the 'Company') during the period April 01, 1995 – March 31, 1997. The investigations, *prima facie*, revealed that Jimmy Gazdar, Chairman & Managing Director of the company (hereinafter referred to as the 'applicant'), acquired 8.608% of equity shares of the company without making a public announcement in violation of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1994.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B and Adjudication proceedings under Chapter VI A of the SEBI Act, 1992 against the applicant. It issued a show cause notice dated February 05, 2004 under Section 11B of SEBI Act, 1992. The Adjudicating Officer had issued a Show Cause Notice dated October 10, 2005 for the alleged violation of Regulation 9(2) and 10(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1994. The applicant submitted his replies vide letters dated July 05, 2004 and November 23, 2005.

3. While the above proceedings were in progress, the applicant vide letter dated August 03, 2009, 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 September 03, 2009. The High Powered Advisory Committee, constituted by SEBI, after noting that there was no change in control of the company subsequent to the acquisition of shares by the applicant and considering that the matter was 13 years old had recommended the case for settlement on payment of Rs.5,50,000 (Rupees five lakh fifty thousand only) towards settlement charges along with voluntary debarment from the securities market for a period of one year by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated October 15, 2009.
4. Accordingly, the applicant without admitting or denying the charges has remitted a sum of Rs.5,50,000 (Rupees five lakh fifty thousand only) towards settlement charges vide demand draft No. 000737 dated October 21, 2009 drawn on HDFC Bank Ltd, payable at Mumbai. An undertaking was submitted vide letter dated September 03, 2009 that the applicant will not buy, sell or otherwise deal in securities in any manner whatsoever for a period of one year.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings pending under section 11B as well as the adjudication proceedings against the applicant in the matter of Cochin Malabar Estate & Industries Limited. It is also ordered that the applicant shall not buy, sell or otherwise deal in securities, in any manner whatsoever, directly or indirectly, for a period of one year.
6. A copy of this order shall be served on all recognized stock exchanges to ensure that the applicant (PAN AAEPG0228Q) shall not buy, sell or

otherwise deal in securities in any manner, whatsoever, directly or indirectly for a period of one year.

7. 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 undertaking filed in this consent proceeding.
8. This consent order is passed on this day, the 28th of October, 2009 and shall come into force with effect from 31st of October 2009.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER