

THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI  
CONSENT ORDER

On the Application submitted by

SUDHIR S MEHTA (HUF)

In the matter of M/s Hindustan Bio Sciences Limited

**CO/IVD/688/AO/VSS/06/2009**

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1. Securities and Exchange Board of India (SEBI) conducted an investigation, covering the period from April 01, 2004 to May 10, 2004 into alleged manipulation done by M/s Sudhir S. Mehta (HUF) (hereinafter referred to as the **“Noticee”**) in the shares of M/s Hindustan Bio Sciences Limited (hereinafter referred to as **“HBL/the Company”**). It was alleged that the Noticee was instrumental in creating artificial volumes and indulged in malpractices to the detriment of the market at large. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge under section 15HA, 15A read with section 15I of Securities and Exchange Board of India Act, 1992 for the alleged violation of Regulations 3(a), (b), (c) and (d), 4(2) (a),(d) and (e) of SEBI (Prohibition of Fraudulent and Unfair trade Practices) Regulations, 2003 (hereinafter referred to as **“PFUTP Regulations”**) and sections 11C(3) and 11C(5) of SEBI Act ,1992 Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **“SEBI Act”**). Consequently, a Show Cause Notice No. EAD-5/VSS/SS/114113/2008 dated April 28, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 to the Noticee.
2. In the meantime, the Noticee through M/s Juris Matrix, made an application received by SEBI on May 23, 2008 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20<sup>th</sup> April, 2007 for Consent Order in respect of the aforesaid SCN before SEBI. Subsequently, the Noticee

vide letter dated September 29, 2008 proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that he was willing to pay a sum of Rs.4,00,000/- (Rupees Four lakhs only) towards consent terms. The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on November 06, 2008. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before the committee by SEBI and recommended that the case may be settled on payment of Rs.4,00,000/- (Rupees four lakhs only). The recommendation of the HPAC was placed before the panel of two whole time members of the Board who have agreed to the terms of consent as recommended by HPAC.

3. SEBI vide letter dated November 26, 2008 communicated to the Noticee the recommendations of HPAC that the case may be settled on payment of Rs.4,00,000/-. The Noticee, vide letter dated December 24, 2008, in pursuance of the aforesaid consent terms, remitted a sum of Rs.4,00,000/- (Rupees four lakhs only), vide Demand Draft No. 411626 dated December 29, 2008 drawn on Standard Chartered Bank, 90, M.G. Road, Mumbai- 400 001 towards the terms of consent in the matter.
4. In view of above, it is hereby ordered that,
  - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992 in the matter of HBL, 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 representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.

b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

5. This consent order is passed on the January 06, 2009 and shall come into force with immediate effect.

**V S Sundaresan**  
**Adjudicating Officer**