

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
RAJESH P. SHAH

IN THE MATTER OF
KOSIAN INDUSTRIES LTD.

(CONSENT APPLICATION NO. 1200/2009)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Kosian Industries Ltd. (hereinafter referred to as the 'company') during December 30, 2004 to March 23, 2005. The investigation *prima facie* revealed that Rajesh P. Shah, located at E/1509, Royal Samrat, Near Cinemax, S.V. Road, Goregaon (West), Mumbai-400062 (hereinafter referred to as the 'applicant') created artificial volume in the shares of the company in violation of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
2. Pursuant to the investigations, SEBI initiated proceedings under section 11B of SEBI Act, 1992 against the applicant. It issued a show cause notice on November 24, 2006. The applicant replied to the show cause notice vide its letter dated December 14, 2006.
3. While the above proceedings were in progress, the applicant, vide letter dated February 11, 2009, proposed settlement of the aforesaid proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated March 19, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and, after deliberations, recommended the case for settlement. Accordingly, the applicant shall pay Rs.50,000 (Rupees fifty thousand only) towards settlement charges and suffer voluntary debarment from buying, selling or dealing in the securities market, whether directly or indirectly, for a period of one year. SEBI accepted the above recommendations and communicated the same to the applicant vide letter dated June 03, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.50,000 (Rupees fifty thousand only) towards settlement charges vide demand draft No.841129 dated June 08, 2009 drawn on Canara Bank, payable at Mumbai. He has also undertaken, vide his letter dated March 19, 2009, to undergo voluntary debarment for one year from the date of this order.

5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings under Section 11B of the SEBI Act, 1992 pending against the applicant in the matter of Kosian Industries Ltd. It is also ordered that the applicant shall not buy, sell or deal in the securities market, directly or indirectly, for a period of one year.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against 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 undertakings filed in this consent proceeding.
7. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure that the applicant, Rajesh P. Shah (PAN No.AABPS 9164L) is not allowed to undertake activities prohibited in Para 5 above.
8. This consent order is passed on this day, the 22nd of June 2009 and shall come into force with effect from June 25, 2009.

Sd/-
M. S. SAHOO
WHOLE TIME MEMBER

Sd/-
K. M. ABRAHAM
WHOLE TIME MEMBER