

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

**On the Application submitted by**  
**Trambaklal Ratilal Parekh & Son Securities Pvt. Ltd.**  
**In the matter of Recron Synthetics Ltd.**

***CO/IVD/1943/AO/VSS/60/2009***

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of Recron Synthetics Ltd. for the period from July 1, 2003 to September 15, 2003. The investigation revealed that Trambaklal Ratilal Parekh & Son Securities Pvt. Ltd. (hereinafter referred to as '**Noticee**') along with other brokers had continuously placed buy orders at upper circuit rates and created artificial price and volume in the scrip of Recron Synthetics Ltd. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under section 15HA and 15HB of Securities and Exchange Board of India Act, 1992 the alleged violation of the provisions of regulations 4(1), 4(2)(a), (b), (e) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') and clauses A(1), A(2), A(3), A(4) and A(5) of the Code of Conduct for Stock Brokers mentioned under Schedule II of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as '**Brokers Regulations**') read with regulation 7 of Brokers Regulations. Consequently, a Show Cause Notice No. EAD-5/VSS/JR/131801/2008 dated July 14, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and

Imposing Penalties by Adjudicating Officer) Rules, 1995 by the undersigned.

2. While the Adjudication Proceedings were in progress, the Noticee made an application dated August 21, 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 notice before SEBI. The Noticee proposed consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs.10,000/- (Rupees Ten Thousand only). Thereafter, the Noticee vide letter dated December 26, 2008 proposed to offer a sum of Rs.5,00,000/- (Rupees Five Lakh only) towards revised consent terms. The revised terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on January 20, 2009. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on payment of Rs.5,00,000/- (Rupees Five Lakh only) towards settlement charges in the matter. The recommendations of HPAC were placed before the two Whole Time Members of the Board who have agreed to the terms of consent as recommended by HPAC.
3. The acceptance of consent proposal was communicated to the Noticee vide letter dated February 24, 2009 read with letter dated March 17, 2009. In pursuance of the aforesaid, the Noticee has remitted a sum of Rs.5,00,000/- (Rupees Five Lakh only), vide Demand Draft No.259069 dated April 16, 2009 drawn on Bank of India, Mumbai, 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 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 April 27, 2009 and shall come into force with immediate effect.

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