

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CO/IVD/1330/AO/PKB/13/2010

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
Sayyed Mustafa
(PAN: ASHPS5235Q)

In The Matter of
Kwality Dairy India Limited

1. SEBI, vide order dated August 04, 2004, initiated adjudication proceedings against Sayyed Mustafa (hereinafter referred to as the 'noticee') for the alleged violation of Regulation 4(a)(b),(c) and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities market) Regulations, 1995 as applicable at the time of the alleged violations read with corresponding regulations 4(1) and (2)(a)(b),(e) and (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities market) Regulations, 2003 in the matter of M/s. Kwality Dairy India Limited. A show cause notice dated October 05, 2005 was issued to the noticee by the then adjudicating officer.
2. The noticee allegedly aided and abetted its clients in executing circular trades and reversal of trade transactions in the scrip of M/s. Kwality Dairy India Limited., and thus allegedly created artificial volume and impacted price in the said scrip. Therefore the noticee was alleged to have violated the abovementioned provisions of law.
3. Shri K. R. C. V. Seshachalam was appointed as the Adjudicating Officer in the present matter. Pursuant to the transfer of Shri K. R. C. V. Seshachalam, Shri A. Chandrashekhhar Rao was appointed as Adjudicating Officer vide order dated December 28, 2004. Pursuant to transfer of Shri A. Chandrashekhhar Rao, Shri Amit Pradhan was appointed as the Adjudicating Officer vide Order dated December 20, 2005. Pursuant to the transfer of Shri Amit Pradhan, Shri D. Sura Reddy was appointed as Adjudicating Officer vide Order dated July 19, 2007. Subsequent to the transfer of Shri D. S. Reddy, the undersigned has been appointed as Adjudicating Officer vide order dated December 10, 2008.

*Consent Order In Respect of Sayyed Mustafa
In The Matter of Kwality Dairy India Limited.*

2/9/2010

4. Pending the adjudication proceedings, the noticee made an application dated May 22, 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 noticee vide letter dated August 20, 2009 proposed to pay a consolidated amount of Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand Only) towards consent terms.
5. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") on November 03, 2009 and HPAC after deliberation recommended the case for settlement on the consent terms/settlement charges proposed by the applicant. Thereafter, SEBI vide letter dated January 25, 2010 conveyed to the applicant that SEBI has in principle agreed to accept the recommendations of HPAC, subject to the clauses of Undertakings/Waivers and advised the applicant, in case the noticee is in agreement with terms as approved, to pay in accordance with the consent terms.
6. In terms of the proposal of the noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the finding of fact or conclusion of law, the noticee has remitted a sum of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand Only), vide Demand Draft No. 000510 dated January 29, 2010 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 noticee 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 8th day of February, 2010 and shall come into force with immediate effect.

9. In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

Date: February 8, 2010

Place: Mumbai

P. K. Bindlish

Adjudicating Officer