

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,  
MUMBAI**

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**M/s. ADINATH BIO-LABS LIMITED**

**IN THE MATTER OF  
M/s. ADINATH BIO-LABS LIMITED**

**(CONSENT APPLICATION NO. 765/2008)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations in respect of buying, selling and dealing in the shares of M/s. Adinath Bio-Labs Limited (hereinafter referred to as 'applicant') during the period May 16, 2005 to November 24, 2005. These investigations completed on August 7, 2006, *prima facie*, revealed that the applicant along with Shree Tulsi Online.Com and some related clients through collusion with the brokers have transacted in its own shares and created an artificial and false market in these shares. Therefore, it was alleged that the applicant had violated the provisions of Regulation 4(2)(a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations').
2. Pursuant to the said investigations, SEBI initiated proceedings under Sections 11, 11B and 11(4) of SEBI Act, 1992 read with Regulation 11 of PFUTP Regulations against the applicant. Thereafter, SEBI issued a show cause notice No. SEBI/ERO/JJ/M-429/2006 dated October 19, 2006 to the applicant. While the proceedings pursuant to the same were in progress, the applicant, vide application dated June 3, 2008, 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. It proposed revised consent terms vide letter dated December 5, 2008, whereby the applicant undertook to pay Rs.1,00,000/- (Rupees One lakh only) towards settlement charges

along with voluntary debarment from buying, selling or dealing in the securities market in any manner whatsoever, whether directly or indirectly, for a period of two months from such date as may be fixed by SEBI. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee and the High Powered Advisory Committee, after deliberations, recommended that the case may be settled on the terms proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated July 15, 2009.

3. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant, the applicant has remitted a sum of Rs.1,00,000/- (Rupees One lakh only) vide Demand Draft No.013474 dated July 27, 2009 drawn on HDFC Bank Ltd., Mumbai.
4. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under Sections 11, 11B and 11(4) of the SEBI Act, 1992 read with Regulation 11 of PFUTP Regulations against the applicant in the matter. It is also ordered that the applicant shall not buy, sell or deal in securities market in any manner whatsoever, whether directly or indirectly, for a period of two months from September 07, 2009
5. 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 undertakings filed in this consent proceeding.
6. A copy of this order shall be served on all recognized Stock Exchanges and the Depositories to ensure that the applicant namely, M/s. Adinath Bio-Labs Limited (PAN No.AAECA5539M) is not allowed to buy, sell or deal in

securities, in any manner whatsoever, directly or indirectly, for a period of two months from September 07, 2009.

7. This consent order is passed on this day, the 1<sup>st</sup> of September, 2009.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**