

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

ASHOK KUMAR KAYAN

**IN THE MATTER OF
G. R. INDUSTRIES AND FINANCE LIMITED**

(CONSENT APPLICATION NO. 862/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations in respect of buying, selling and dealing in the shares of G.R. Industries and Finance Limited. (hereinafter referred to as 'GRIFL') during the period September 09, 2004 to February 28, 2005. The investigations, *prima facie*, revealed that Ashok Kumar Kayan, a member of Calcutta Stock Exchange (hereinafter referred to as 'applicant') with SEBI Registration No. INB 030491111 during the said period, had indulged in manipulative transactions in the scrip of GRIFL. Therefore, it was alleged that the applicant had violated the provisions of Regulation 4(2) (a), (e) & (o) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, and Clause A(1) to (4) and B(4)(a) of the Code of Conduct as stipulated under Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings under SEBI (Procedure for Holding Enquiry and Imposing Penalties by Enquiry Officer) Regulations 2002, against the applicant. Thereafter, SEBI issued a show cause notice No. EAD/DSR/129534/2008 dated June 19, 2008 to the applicant.
3. While the above proceedings were in progress, the applicant, vide letters dated July 26, 2008 and November 14, 2008 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. The High Powered Advisory Committee constituted

by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rupees 1,00,000/- (Rupees One Lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 10, 2009.

4. The applicant for the sole purpose of settling the matter, without admitting or denying the charges, remitted a sum of Rupees.1,00,000/- (Rupees One Lakh only) vide Demand Draft No.011386 dated September 15, 2009 drawn on HDFC Bank Ltd., Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings against the applicant (PAN - ALKPK 2298K).
6. 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.
7. This consent order is passed on this day, the 26th of October, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

Dr. K. M. ABRAHAM
WHOLE TIME MEMBER