

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

CO/IVD/2102/AO/SP/13/2011

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In respect of  
Yasmin G. Arab  
(PAN: AKGPA8713Q)  
In the matter of Sarang Chemicals Ltd.

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide order dated July 21, 2009, initiated adjudication proceedings against Exdon Trading Company Ltd. and its directors (viz. Ashok Shah, Hiralal Popatlal Shah and Yasmin G. Arab), in the matter of Sarang Chemicals Limited (hereinafter referred to as 'SCL').
2. SEBI conducted an investigation into the trading in the scrip of SCL during the period from August 1, 2005 to October 4, 2005 (hereinafter referred to as '**Investigation period**'). It was observed that during the investigation period, SCL made five corporate announcements which were false / misleading as a result of which a price rise was observed during the period from August 01, 2005 to September 13, 2005 wherein the price increased from Rs.5.31 to Rs.17.49. Investigations conducted by SEBI revealed that a group of connected/related clients of SCL were dealing in the scrip of SCL during the investigation period. It is alleged that the entities were found to be connected to each other and to SCL.
3. The undersigned was appointed as Adjudicating Officer vide order dated July 27, 2009 under section 15I of the SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the '**Rules**') to inquire into and adjudge under section 15HA of the SEBI Act, 1992, the alleged violations of provisions of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').
4. A Show Cause Notice AO-4/SP/OW/14672/2010 dated August 03, 2010 was issued to Ms. Yasmin G. Arab, the noticee under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995.
5. While Adjudication Proceedings were in progress, Ms. Yasmin G. Arab submitted an application dated August 24, 2010 before SEBI and the Undertaking/Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for Consent Orders

in respect of the aforesaid proceedings. Subsequently, vide letter dated October 10, 2010, Ms. Yasmin G. Arab proposed to pay a sum of ₹2,00,000/- (Rupees two lakhs) as revised consent terms towards settlement charges.

6. The revised consent terms as proposed by Ms. Yasmin G. Arab were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") on November 19, 2010. The HPAC, after considering the facts and circumstances of the case, the material brought before it by SEBI and the consent terms offered by Ms. Yasmin G. Arab, recommended that the case may be settled on payment of ₹2,00,000/- (Rupees two lakhs) towards settlement charges. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.
7. Thereafter, vide letter dated December 22, 2010 SEBI communicated to Ms. Yasmin G. Arab its acceptance of the revised consent terms and advised it to pay the amount accordingly. Ms. Yasmin G. Arab has remitted a sum of ₹2,00,000/- (Rupees two lakhs), vide Demand Draft No. 162700 dated December 23, 2010 drawn on HDFC Bank.

6. In view of above, it is hereby ordered that,

- (i) This consent order disposes of the said proceedings pending against Ms. Yasmin G. Arab 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 Ms. Yasmin G. Arab, if SEBI finds
  - (a) that any representation made by Ms. Yasmin G. Arab in the consent proceedings is subsequently discovered to be untrue.
  - (b) Ms. Yasmin G. Arab has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

7. This consent order is passed on January 12, 2011 and shall come into force with immediate effect.

8. In terms of rule 6 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995, copies of this order are being sent to Ms. Yasmin G. Arab and to Securities and Exchange Board of India.

**Sanjay Purao**  
**Adjudicating Officer**