

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

On the Application submitted by
MANSUKHLAL MANILAL UPADHYAY
In the matter of Advik Laboratories Ltd.

CO/IVD/1614/AO/VSS/08/2009

1. Securities and Exchange Board of India (SEBI) conducted an investigation to investigate in respect of buying, selling and dealing in the shares of Advik Laboratories Limited (hereinafter referred to as “**ALL/the Company**”) during the period from September 2003 to January 2004. The investigation revealed, inter-alia, that the promoters of ALL along with certain entities including Mansukhlal Manilal Upadhyay (hereinafter referred to as the “**Noticee**”) traded in the shares of ALL creating artificial volumes in the shares of ALL leading to manipulation in the trading of the shares of ALL. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge the alleged violation of the provisions of regulations 4 (1), (2) (a), (b), (e) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and regulation 7 read with clauses A(1) to A(5) of Code of Conduct for Stock Brokers as stipulated in schedule II of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 under sections 15HA and 15HB read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, a Show Cause Notice No. EAD-5/VSS/JR/115205/2008 dated January 25, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 to the Noticee.

2. In the meantime, the Noticee made an application dated March 26, 2008 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid SCN. The Noticee proposed consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that he was willing to pay a sum of Rs.50,000/- (Rupees Fifty Thousand only). Thereafter, the Noticee vide letter dated October 6, 2008 proposed to offer a sum of Rs.4,00,000/- (Rupees Four Lakh only) towards revised consent terms. The revised consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on December 1, 2008. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before them by SEBI and recommended that the case may be settled on payment of Rs.4,00,000/- (Rupees Four Lakh only). The recommendation of HPAC was placed before the panel of two Whole Time Members of the SEBI Board who have agreed to the terms of consent as recommended by the HPAC.
3. SEBI vide letter dated December 17, 2008 communicated to the Noticee the recommendation of HPAC that the case may be settled on payment of Rs.4,00,000/-. The Noticee, vide letter dated January 6, 2009, in pursuance of the aforesaid, remitted a sum of Rs.4,00,000/- (Rupees Four Lakh only), vide Demand Draft No.072648 dated January 6, 2009 drawn on Central 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 in the matter of ALL, 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 January 14, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer