

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

SHRI VIJAY KUMAR GUPTA

IN THE MATTER OF

INITIAL PUBLIC OFFER OF ATLANTA LIMITED

(CONSENT APPLICATION No. 874/2007)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in the allotment of shares in the category reserved for employees of the company in the initial public offer of shares by Atlanta Ltd. The investigations, *prima facie*, revealed that Shri Vijay Kumar Gupta (hereinafter referred to as applicant) residing at 97, Sant Sena Maharaj Marg, 2nd Kum Bharwada Lane, Near Goldeval Temple, Mumbai-400 004 with PAN: AABPG8011G had used Shri B.S. Korigeri, an employee of Atlanta Limited, as a conduit to corner the shares reserved for the employees in the IPO. The applicant paid Rs. 2,55,000 to Shri Korigeri, for subscribing in the IPO. Shri Korigeri, immediately after receipt of allotment, transferred 1700 shares at the issue price of Rs.150 to the applicant who sold the shares in the market at Rs. 6,05,367 and made an illegal profit of Rs. 3,50,367. It was, therefore, alleged that the applicant violated Regulation 3 (c) and 4 (1) of the SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 2003.

2. Pursuant to the investigations, SEBI initiated proceedings under section 11B of the SEBI Act, 1992 and adjudication under Chapter VI A of SEBI Act, 1992 against the applicant. Show cause notice dated May 30, 2008 was issued to the applicant under section 11B of the SEBI Act, 1992 requiring him to show cause as to why Rs. 3,50,367 being an illegal profit shall not be disgorged from him. The adjudicating officer also issued a show cause notice dated July 16, 2008 to the applicant.

3. While further proceedings in the matter were in progress, the applicant, vide letter dated August 4, 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. The applicant proposed revised consent terms vide letter dated October 6, 2008.

4. 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 Rs. 4,00,000/- (Rupees four lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated December 5, 2008.

5. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 4,00,000/- (Rupees four lakh only) towards settlement charges vide demand draft No. 020122 dated December 17, 2008 drawn on HDFC Bank payable at Mumbai.

6. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under section 11B of the SEBI Act, 1992 and the adjudication proceedings pending against the applicant in the matter of initial public offer of Atlanta Limited.

7. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against 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.

8. This consent order is passed on this day, the 17th of February, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER