

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
SHRI SULAIMAN LAKHANI**

**IN THE MATTER OF
M/s. ALEMBIC LIMITED
(CONSENT APPLICATION NO.366/2007)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular transactions in the shares of M/s. Alembic Limited during December 1999 – March 2000. The investigations, *prime facie*, revealed that Shri Sulaiman Lakhani (hereinafter referred to as the 'applicant') had allegedly indulged in fictitious deals in shares of M/s. Alembic Limited.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B of the SEBI Act, 1992 and Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 against the applicant. SEBI issued Show Cause Notice dated April 30, 2007 alleging that the applicant had violated Regulation 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 read with Regulation 13(2) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003. The applicant, vide letters dated September 20, 2007 and October 22, 2007, requested for additional time for filing detailed reply to the show cause notice. However, he did not submit any reply thereto.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated December 05, 2007, proposed settlement of the pending proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) constituted by

SEBI and the HPAC, after deliberations, recommended that the case may be settled on payment of Rs.10,00,000/- (Rupees ten lakh only) as settlement charges. The said terms of settlement were accepted by SEBI and communicated to the applicant vide letter dated September 18, 2008.

4. Accordingly, the applicant without admitting or denying the charges, has remitted a sum of Rs. 10,00,000 (Rupees ten lakh only) vide demand draft No. 312148 dated 24.09.2008 drawn on DCB Ltd., payable at Mumbai.
5. 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 pending before SEBI against the applicant in the matter of M/s. Alembic Limited.
6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing / 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;
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceedings.
7. This consent order is passed on this day, the 31st of October, 2008 and shall come into force with immediate effect.

T. C. NAIR
WHOLE TIME MEMBER

M. S. SAHOO
WHOLE TIME MEMBER