

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

On the Application submitted by
Systematix Shares & Stocks (I) Ltd. (formerly - Southern Shares & Stocks Ltd.)
In the matter of KRBL Ltd.

CO/ID-8/1203/AO/VSS/39/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading in the scrip of KRBL Limited covering the period from June 27, 2003 to December 31, 2003. The investigation revealed that Systematix Shares & Stocks (I) Ltd., formerly known as Southern Shares & Stocks Ltd., (hereinafter referred to as '**Noticee**') along with other brokers, sub-brokers and clients were involved in synchronized, circular and reversal of trades which created artificial volume, distorted market equilibrium and impacted price of the scrip. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge under sections 15HA and 15HB of Securities and Exchange Board of India Act, 1992 for the alleged violation of the provisions of regulations 4(1), 4(2)(a), 4(2)(b), 4(2)(g) and 4(2)(n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 and clauses A(1), A(2), A(3), A(4) and A(5) of the Code of Conduct for Stock Brokers as prescribed under schedule II read with regulation 7 of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. Consequently, a Show Cause Notice No. EAD/EAD-5/PG/92099/2007 dated April 24, 2007 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 by Mr. Piyoosh Gupta, (then) A.O. Consequent upon the transfer of Mr. Piyoosh Gupta, the undersigned has been appointed as A.O. vide order dated November 19, 2007.
2. While the Adjudication Proceedings were pending, the Noticee made an application dated October 9, 2007 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 notice before SEBI. Subsequently, the Noticee vide letter dated March 13, 2008 proposed revised 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.2,00,000/- (Rupees two lakh only). The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on December 24, 2008. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on payment of Rs.2,00,000/- (Rupees two lakh only) towards settlement charges. The recommendations of HPAC were placed before the two Whole Time Members of the Board who have agreed to the terms of consent as recommended by HPAC.

3. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of Rs.2,00,000/- (Rupees two lakh only), vide Demand Draft No.510335 dated February 9, 2009 drawn on Axis Bank Ltd., 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, 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 20th March, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer