

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

On the Application submitted by
Ketan R Shah (PAN: AGDPS3067J)
In the matter of Havells India Ltd.

CO/ID-8/1846/AO/VSS/38/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the scrip of Havells India Ltd covering the period from July 16, 2003 to August 14, 2003. The investigation revealed that Mr. Ketan R Shah (hereinafter referred to as '**Noticee**') along with other clients, brokers and sub-broker were involved in synchronized, reversal, circular/artificial trades which created artificial volume and distorted market equilibrium. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge under section 15HA 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) and 4(2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**'). Consequently, a Show Cause Notice No. EAD/EAD-5/PG/66678/2006 dated May 10, 2006 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 July 11, 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 notice before SEBI. Subsequently, the Noticee vide letter dated November 17, 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.1,50,000/- (Rupees one lakh fifty thousand only) and voluntary debarment for a period of two years. The revised consent 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.1,50,000/- (Rupees one lakh fifty thousand only) towards settlement charges and voluntary debarment from dealing in securities market, whether directly or indirectly, for a period of two years. 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.1,50,000/- (Rupees one lakh fifty thousand only), vide Demand Draft No.888249 dated March 2, 2009 drawn on State Bank of Indore, 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