

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

On the Application submitted by

Mr. Sayyed Mustafa

In the Matter of KRBL Ltd.

CO/ID-2/2016/10/PB/AO-47/2011

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an investigation in respect of the trading in the scrip of KRBL Ltd. covering the period from June 27, 2003 to December 31, 2003.
2. The investigation revealed that Mr. Sayyed Mustafa (hereinafter referred to as '**Noticee**') had allegedly entered into synchronized/circular/reversal trades in the scrip of KRBL Ltd. in connivance with brokers and was thus instrumental in creating artificial volumes in the scrip which distorted market equilibrium of the shares. 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 relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'). Consequently, a Show Cause Notice No. EAD/EAD-5/PG/92060/2007 dated April 24, 2007 (hereinafter referred to as '**SCN**') was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, by Mr. Piyoosh Gupta, then Adjudicating Officer. Consequent upon the transfer of Mr. Piyoosh Gupta, Mr. V.S Sundaresan was appointed as the Adjudicating Officer vide order dated November 19, 2007. Subsequent to the transfer of

Mr. V.S Sundaresan, I have been appointed as the Adjudicating Officer vide order dated December 24, 2009.

3. While the adjudication proceedings were pending, the Noticee made an application dated June 1, 2010 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for Consent Order in respect of the aforesaid SCN before SEBI.
4. Subsequently, the Noticee 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 ₹2,00,000/- (Rupees two lakh only) towards settlement charges in the matter. The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on February 1, 2011. 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 ₹2,00,000/- (Rupees two lakh only). The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.
5. SEBI vide letter dated April 20, 2011 communicated to the Noticee the recommendations of HPAC that, the case may be settled on payment of ₹2,00,000/- (Rupees two lakh only). Accordingly, the Noticee has remitted a sum of ₹2,00,000/- (Rupees two lakh only), vide Demand Draft No.017639 dated May 11, 2011 drawn on HDFC Bank, Mumbai, towards the terms of consent in the matter.
6. 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.
- 7. This consent order is passed on May 19, 2011 and shall come into force with immediate effect.
- 8. In terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticee and also to SEBI.

Parag Basu
Adjudicating Officer