

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
MUMBAI**

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
SHRI RAJEEV SHROFF**

**IN THE MATTER OF
M/s BALLARPUR INDUSTRIES LTD.**

1. The Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted a preliminary investigation into the matter of irregularities committed in trading in the scrip of M/s Ballarpur Industries Ltd. On the basis of the findings, it was alleged that one of the dealers of M/s UTI Securities Limited, was passing on information to Shri Rajeev Shroff (hereinafter referred to as 'the Applicant'), who in turn, allegedly used the information to set up a group of clients, who had participated in 'customized front running' in the above stated scrip and had thereby allegedly violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulation 3(a), (b), (c) and (d) and Regulation 4(q) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market), Regulations 2003. In view of the *prima facie* findings, SEBI, vide an ad-interim Order No. WTM/GA/30/ISD/10/07 dated October 1, 2007, under Section 11 (4) (b), 11B and 11D of the SEBI Act, 1992 directed the Applicant not to buy, sell or deal in securities, directly or indirectly, till further directions in this regard.
2. In view of the above stated proceedings, the Applicant made a consent application dated November 14, 2007, in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20.4.2007. The Applicant proposed an amount of Rs.2,00,000/- (Rupees Two Lakh only) towards the consent terms in the matter. The consent terms proposed by the Applicant were placed before the High Powered Advisory Committee (HPAC) which recommended that the case may be settled on the condition that the Applicant agreed to voluntarily undergo suspension from his sub-broking business for a period

of six months from the date of passing of the consent order and on payment of Rs.2,00,000/- (Rupees Two Lakh only) towards settlement charges.

3. In terms of the Applicant's proposal, for the sole purpose of settling the matter, and without admission or denial of guilt on the part of the Applicant, the Applicant has remitted a sum of Rs.2,00,000/- (Rupees Two Lakh only) towards settlement charges. Further, the Applicant has accepted to voluntarily undergo suspension from his sub-broking business for a period of six months from the date of passing of this order.
4. In view of the above, it is hereby ordered that-
 - i) this consent order disposes of the said Order dated October 1, 2007 under Section 11(4)(b), 11B and 11D of the SEBI Act, 1992 pending before SEBI against the Applicant in the matter of M/s. Ballarpur Industries Ltd. and
 - ii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action against the Applicant if SEBI finds that any representations made by the Applicant in the consent proceedings are subsequently discovered to be untrue.

This consent order is passed on this 28th day of July, 2008 and shall come into force with immediate effect.

C. B. Bhavé
Chairman

T.C. Nair
Whole Time Member