

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

On the Application submitted by

Shailesh S Jhaveri

In the matter of Aarti Industries Ltd., Aarti Drugs Ltd., Havells India Ltd. and TASC
Pharmaceuticals Ltd.

CO/IVD-ID4/1915/AO/VSS/36/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the scrip of Aarti Industries Ltd., Aarti Drugs Ltd., Havells India Ltd. and TASC Pharmaceuticals Ltd. covering the period from April 2003 to March 2004. The investigation revealed that Mr. Shailesh S Jhaveri (hereinafter referred to as '**Noticee**') along with other clients, brokers and sub-brokers were involved in synchronized, circular and reversal of trades which created artificial volume, distorted market equilibrium and impacted price of these scrips. 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), 4(2)(g) and 4(2)(n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. Consequently, a Show Cause Notice No. EAD-5/VSS/RK/126143/2008 dated May 21, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 by the undersigned.
2. While the Adjudication Proceedings were pending, the Noticee made an application dated August 12, 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 December 19, 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.1,00,000/- (Rupees one lakh only) towards settlement charges in the matter and voluntary debarment for one month. The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on

January 5, 2009. 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.1,00,000/- (Rupees one lakh only) and voluntary debarment from the securities market, whether directly or indirectly, for a period of one month. The HPAC had also recommended that the said period of debarment pursuant to these proceedings may commence only after the debarment pursuant to the Order of SEBI dated November 13, 2007 is over. The said 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. The recommendations of the HPAC were communicated to the Noticee vide letter dated February 2, 2009. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of Rs.1,00,000/- (Rupees one lakh only), vide Demand Draft No.032226 dated February 7, 2009 drawn on HDFC 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