

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

On the Application submitted by
P. Suryakant Share & Stock Brokers Pvt. Ltd.
In the matter of Havells India Ltd.

CO/IVD ID-8/1863/AO/VSS/62/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of Havells India Ltd. for the period from July 16, 2003 to August 14, 2003. The investigation revealed that P. Suryakant Share & Stock Brokers Pvt. Ltd. (hereinafter referred to as '**Noticee**') along with other brokers/sub-brokers had indulged in synchronized, circular and reversal trades on behalf of certain clients and thus created artificial volume in the said scrip and distorted market equilibrium. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under section 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 relating to Securities Markets) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') and clauses A(1), A(2), A(3), A(4) and A(5) of the Code of Conduct for Stock Brokers mentioned under Schedule II of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as '**Brokers Regulations**') read with regulation 7 of Brokers Regulations. Consequently, a Show Cause Notice No. EAD/PG/EAD-5/63997/2006 dated March 31, 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 in progress, the Noticee made an application dated July 29, 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 6, 2008 proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs.3,00,000/- (Rupees three lakh only) towards settlement charges in the matter. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on February 3, 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.3,00,000/- (Rupees three lakh only) towards settlement charges in the matter. 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. The acceptance of consent proposal was communicated to the Noticee vide letter dated March 5, 2009. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of Rs.3,00,000/- (Rupees three lakh only), vide Demand Drafts No.403032 dated March 16, 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 27th April, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer