

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO.: - SD/AO/127/2009]

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING
INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER)
RULES, 1995**

Against

M/s. Jaico Securities Pvt. Ltd.

**In the Matter of
Jindal Stainless Limited**

BRIEF FACTS OF THE CASE:

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated investigation against M/s. Jaico Securities Limited (hereinafter referred to as 'Noticee'), to examine the possibility of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations") and the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as the "Broker Regulations") in respect of trading in the scrip of M/s. Jindal Stainless Limited (hereinafter referred to as 'ATL').

APPOINTMENT OF ADJUDICATING OFFICER:

2. Ms. Babita Rayudu was appointed as the Adjudicating Officer vide order of SEBI dated October 20, 2006 under section 15-I of the Act r/w rule 3 of SEBI (Procedure for holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the Adjudicating Rules) to

inquire into and adjudge under Section 15HA and 15HB of the Securities and Exchange Board of India Act, 1992(hereinafter referred to as the 'SEBI Act'), the alleged violation of the provisions of Regulations 4(1), 4(2)(a), (b), (g), and (n) of PFUTP Regulations and the Clauses A (1), (2), (3), (4) & (5) of the Code of Conduct for Stock Brokers as specified in Schedule II under Regulation 7 of Broker Regulations.

SHOW CAUSE NOTICE/REPLY:

3. Accordingly, a notice to show cause dated July 11, 2007 under Rule 4 (1) of the Adjudication Rules was issued to the Noticee asking it to show cause as to why an enquiry should not be held against it in terms of Section 15I of the SEBI Act and penalty be not imposed under Section 15HA and 15HB of the SEBI Act for the alleged violation by it of the abovementioned provisions of the PIT Regulations.
4. In response to the said notice to show cause (hereinafter referred to as the 'SCN'), the Noticee vide letter dated July 24, 2007 indicated his desire to opt for consent proceedings.
5. Accordingly the Noticee filed the consent application and the Enforcement Department of SEBI had advised the erstwhile AO to keep the instant adjudication proceedings in abeyance vide its Office Note dated July 31, 2007.
6. Subsequently, the said consent application has been accepted as per the terms of Circular dated EFD/ED/Cir.-1/2007 dated April 20, 2007 and accordingly the Board has passed a consent order dated October 23, 2009 for various pending proceedings against the Noticee including in the instant adjudication proceedings. The status of the consent order has been duly confirmed by the Enforcement Department of SEBI to the undersigned by Office Note dated October 23, 2009.

7. In view of the said consent order of the Board, I am of the opinion that no further inquiry as per Rule 4(3) of the Adjudicating Rules is necessary in the instant matter and the matter is accordingly disposed off.
8. In terms of rule 6 of the Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

Date: October 29, 2009

Place: Mumbai

**SANDEEP DEORE
ADJUDICATING OFFICER**