

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

On the Application submitted by  
M/s. Hydro S & S Industries Ltd.  
(PAN: AAACH0931N)

***CO/ISD/1975-2010/AO/SRP/DL/119/2010***

---

1. The Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had initiated adjudication proceedings against M/s. Hydro S & S Industries Ltd. (hereinafter referred to as '**the Noticee**') to inquire into and adjudge under section 15 A (b) of the SEBI Act, the alleged violation/contravention of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "**PIT Regulations**") by the Noticee.
2. It was alleged that one M/s. Machino Finance Pvt. Ltd. had acquired shares and crossed the 5 % benchmark shareholding in the Noticee Company and in this regard in the following instances the Noticee failed to make the requisite disclosures as required under regulation 13 (6) of the PIT Regulations, to the Bombay Stock Exchange Ltd.

Shareholding prior to acquisition	No. and % of shares and voting rights acquired	Total acquisition (in terms of % shares / voting rights acquired)	Date of acquisition	Date of intimation to the Noticee	Date of receipt of intimation by the Noticee
325549 (4.99%)	6265 (0.18%)	5.17%	24.11.06	07.06.07	12.06.07
452159 (6.93%)	4718 (0.07%)	7.00%	19.02.07	07.06.07	12.06.07
585499 (8.97%)	2500 (0.04%)	9.01%	26.04.07	07.06.07	12.06.07

3. The undersigned was appointed as Adjudicating Officer vide Order dated November 27, 2009 under section 15I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') to inquire into and adjudge under section 15A (b) of the SEBI Act, the alleged violation of the aforesaid provisions of the PIT Regulations by the Noticee,.
4. While the adjudication proceedings were in progress, the Noticee made an application dated April 23, 2010 along with an affidavit of "undertakings and waivers" in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for settlement of the proceedings through Consent Order. Subsequently, the Noticee proposed revised consent terms vide letter dated June 10, 2010, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it is willing to pay a sum of Rs.1,00,000/- (Rupees one lakh only) towards settlement charges in the matter.
5. The revised consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on July 01, 2010 and HPAC after deliberation recommended the case for settlement on the aforesaid revised consent terms proposed by the Noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.
6. The acceptance of consent proposal was communicated to the Noticee by SEBI vide communication dated August 06, 2010. 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. 855862 dated August 10, 2010 drawn on State Bank of India, Mumbai, towards the terms of consent in the matter.
7. In view of above, it is hereby ordered that:

- I. this consent order disposes of the said proceedings pending against the Noticee under SEBI Act;
  - II. passing of this order is without prejudice to the rights 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.
8. This consent order is passed on September 14, 2010 and shall come into force with immediate effect.

**SATYA RANJAN PRASAD**  
**ADJUDICATING OFFICER**