

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

CO/SRO/1861/AO/PKB/14/2009

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

In respect of
M/s. ITI Financial Services Limited
PAN No. AAACI 8316C

1. SEBI, vide order dated February 13, 2008, initiated adjudication proceedings against M/s. ITI Financial Services Limited, Member, NSE (INB231202830; INF2312030) and Member, BSE (INB011202836) (hereinafter referred to as noticee) for allegedly violating SEBI circular no. SEBI/MRD/SE/SU/Cir-15/04 dated March 19, 2004, SEBI Circular dated December 27, 1993, SEBI circular No. MRD/DoP/SE/Dep/Cir-30/2004 August 24, 2004 and SEBI Circular No. SMD/Policy/Cir/3/97 dated March 31, 1997. A show cause notice dated June 19, 2008 was issued to the noticee.
2. Pursuant to the transfer of Shri. D. S. Reddy the undersigned has been appointed as Adjudicating Officer vide order dated December 10, 2008.
3. Pending the adjudication proceedings, the noticee made an application dated July 25, 2008, and an affidavit in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007. Pursuant to the said application, the noticee vide letter dated September 19, 2008 proposed revised consent terms and offered to pay a consolidated amount of Rs. 5,00,000/- (Rupees Five Lakhs only) towards settlement charges though they requested that the amount be reduced. The noticee vide letter dated December 3, 2008, further submitted that they were willing to pay Rs. 5, 00,000 (Rupees Five Lakhs Only) towards consent terms in the matter. The revised consent terms were placed before the High Powered Advisory Committee (HPAC) and HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the noticee.

4. In terms of the proposal of the noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the finding of fact or conclusion of law, the noticee has remitted a sum of Rs. 5,00,000/- (Rupees Five Lakhs only), favouring SEBI, vide Demand Draft No. 858835 dated February 23, 2009 drawn on ICICI Bank Limited, Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
 - i) This consent order disposes of the said adjudication proceedings pending against the noticee under SEBI 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 representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. The noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
6. This consent order is passed on the 16th day of March, 2009 and shall come into force with immediate effect.
7. In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai

P. K. BINDLISH
Adjudicating Officer