

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

ARJ SHARES & STOCK BROKERS PVT. LTD.

(SEBI Regn. No. INB 011130250 & INB 230754839 (CASH SEGMENT) AND  
INF011130250 & INF230754839 (DERIVATIVES SEGMENT))

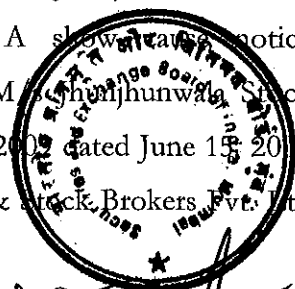
IN THE MATTER OF

M/S HIMACHAL FUTURISTIC COMMUNICATIONS LTD., M/S TATA ENGINE  
AND LOCOMOTIVE CO. LTD., M/S INFOSYS TECHNOLOGIES LTD., & M/S  
SOFTWARE SOLUTIONS INDIA LTD.

(CONSENT APPLICATION NO. 1981/2010)

1. SEBI had conducted investigations into the alleged irregularities into the trading of the shares of M/s Himachal Futuristic Communications Ltd., Tata Engine and Locomotive Co. Ltd., M/s Infosys Technologies Ltd. & Software Solutions India Ltd. between August 2000 and April 2001. The investigations, *prima facie*, revealed that M/s Jhunjhunwala Stock Brokers Pvt. Ltd (Now known as ARJ Shares & Stock Brokers Pvt. Ltd.) and M/s Pratik Stock Vision Pvt. Ltd. (Now merged with M/s ARJ Shares & Stock Brokers Pvt. Ltd pursuant to Bombay High Court Order dated 14<sup>th</sup> August, 2009 in Company Petition No. 347 of 2009), a member of the Bombay Stock Exchange had violated the provisions of section 13 of the Securities Contract (Regulations) Act, 1956, SEBI Circular No. SMD/RCG/CIR/BKG/293/95 dated March 14, 1995, clauses A (1), (2), (3), (4) & (5) of the Code of Conduct for Stock Brokers specified in scheduled II referred to in Regulation 7 of the SEBI (Stock brokers and Sub-brokers) Regulations, 1992 and Regulations 3, 6 (a) and 6 (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.

2. Pursuant to the investigations, SEBI initiated enquiry proceedings under regulations 25 and 38 of the SEBI (Intermediaries) Regulations, 2008 against the M/s Jhunjhunwala Stock Brokers Pvt. Ltd and M/s Pratik Stock Vision Pvt. Ltd. A show cause notice A&E/SD/AB/165591/2009 dated June 02, 2009 was issued to M/s Jhunjhunwala Stock Brokers Pvt. Ltd. and a show cause notice A&E/SD/AB/166454/2009 dated June 15, 2009 was issued to M/s Pratik Stock Vision Pvt. Ltd.. M/s ARJ Shares & Stock Brokers Pvt. Ltd



vide letter dated June 17, 2003 sought inspection of documents in the aforementioned proceedings. However, M/s ARJ Shares & Stock Brokers Pvt. Ltd did not submit any reply to the show cause notices. Personal hearings in the matter were scheduled on August 18, 2009.

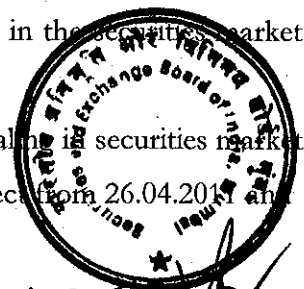
3. While the above proceedings were in progress, M/s ARJ Shares & Stock Brokers Pvt. Ltd (hereinafter referred to as the 'applicant') vide letter dated April 29, 2010 proposed settlement of the Enquiry proceedings initiated against the M/s Jhunjhunwala Stock Brokers Pvt. Ltd and M/s Pratik Stock Vision Pvt. Ltd. vide show cause notice A&E/SD/AB/165591/2009 dated June 02, 2009 and a show cause notice A&E/SD/AB/166454/2009 dated June 15, 2009 respectively through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. However, vide its letter dated November 08, 2010, the applicant proposed revised consent terms for both the proceedings mentioned above. The High Powered Advisory Committee (HPAC) constituted by SEBI, considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs.5,00,000/- (Rupees Five Lakh only) towards settlement charges and voluntary debarment from buying, selling or dealing in securities market in any manner whatsoever for the period of six month with effect from 26-04-2011, as proposed by the applicant, subject to the condition that:

- a) During the period of voluntary debarment the applicant shall not trade as broker also; and
- b) No other group company of the applicant, in which the applicant or its promoters/ directors have 50% economic interest, is operating in the securities market

SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated April 25, 2011.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 5,00,000/- (Rupees Five Lakh only) vide demand draft No. 166249 dated April 25, 2011, drawn on Union Bank Of India, Samachar Marg Branch, Mumbai, payable at Mumbai. The applicant has confirmed that no other group company of the applicant, in which the applicant or its promoters/ directors have 50% economic interest, is operating in the securities market and also undertakes the following:

- a) to undergo voluntary debarment from buying, selling or dealing in securities market in any manner whatsoever for a period of six months with effect from 26.04.2011 and



b) The applicant shall also not trade as broker during the period of voluntary debarment

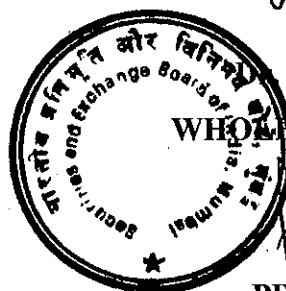
5. In view of the above, it is hereby ordered that this consent order disposes of the enquiry proceedings initiated against the applicant initiated vide show cause notice vide show cause notice A&E/SD/AB/165591/2009 dated June 02, 2009 and a show cause notice A&E/SD/AB/166454/2009 dated June 15, 2009.

6. A copy of this order shall be sent to the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, National Securities Depositories Limited and Central Depository Services (India) Limited of which the applicant is a broker and depository participant as the case may be, for implementation.

7. This order is without prejudice to the right of SEBI to initiate enforcement actions, including reopening of the proceedings pending against applicant, if:

- a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
- b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.

8. This consent order is passed on this <sup>3<sup>rd</sup></sup> day of <sup>May</sup> ~~April~~ 2011 and shall come into force with effect from <sup>4<sup>th</sup> May</sup> ~~26<sup>th</sup> April~~ 2011.



*[Signature]*

K. M. ABRAHAM  
WHOLE TIME MEMBER

*[Signature]*

PRASHANT SARAN  
WHOLE TIME MEMBER