

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BORAD OF INDIA  
CONSENT ORDER  
ON THE APPLICATION SUBMITTED BY  
PRAMOD KUMAR JAIN SECURITIES PVT. LTD. (PAN: AAACP6229P)  
  
IN THE MATTER OF JINDAL POLYESTER LTD.  
(CONSENT APPLICATION NO. 1035 OF 2008)**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted an investigations into the dealing in the scrip of M/s Jindal Polyester Ltd. (hereinafter referred to as 'JPL') for the period of June 20, 2003 to November 28, 2003. Investigation revealed that the price of the scrip increased form Rs.104 on June 20, 2003 to Rs.370 on November 28, 2003. Investigations further revealed that a group of 09 brokers including Pramod Kumar Jain Securities Pvt. Ltd., a SEBI registered Stock Broker (SEBI Registration no. INB010996030) {hereinafter referred to as 'the applicant'} entered into circular trades among themselves in the scrip of JPL in proprietary account as well as on behalf of the clients on several trading days. The trades among the brokers were synchronized and accounted for majority of the market volume in the scrip of JPL. The aforesaid trading of the applicant resulted in creation of artificial volume in the scrip of JPL.

2. The trading pattern was alleged to be in contravention of Regulations 4 (1),(4)(2)(a), (b), (e), (g) and (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and Clauses A (1), (2), (3), (4) and (5) of Code of Conduct for Brokers as specified in Schedule II under Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations , 1992.

3. Accordingly, Adjudication Proceedings were initiated against the applicant and Shri Amit Pradhan was appointed as an Adjudicating Officer, who issued show cause notice dated August 21, 2006 to the applicant. Vide order dated August 07, 2009, the Chairman SEBI transferred the pending Adjudication proceedings to the undersigned and appointed me the Adjudicating Officer in the matter.

4. While the said proceedings were pending, the applicant vide its letter dated October 22, 2008, submitted an application proposing settlement of the said proceedings in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007 through a consent order.

5. The applicant vide its letter dated July 28, 2009, submitted revised settlement terms. The High Powered Advisory Committee constituted by SEBI, in its meeting held on August 17, 2009, considered the settlement terms proposed by the applicant and recommended the case for settlement on payment of Rs.2,50,000/- (Rupees Two Lakhs and Fifty Thousand Only) towards settlement charges.

6. In terms of the proposal of the applicant, for the sole purpose of settling the matter on hand, without admitting or denying the guilt on the part of the applicant to the finding of fact or conclusion of law, the applicant has remitted a sum of Rs.2,50,000/- (Rupees Two Lakhs and Fifty Thousand Only) vide Demand Draft No. 249281 dated September 14, 2009, drawn on HDFC Bank Ltd., Mumbai (Fort) Branch, Mumbai towards settlement charges.

7. In view of the above, it is hereby ordered that this consent order disposes of the aforesaid adjudication proceeding pending against the applicant.

8. This order is without prejudice to the right of SEBI to take enforcement actions including commencing fresh/reopening of the pending proceedings against the applicant if:

- a. any representation made by the applicant in the consent proceedings are subsequently discovered to be untrue.
- b. the applicant breaches any of the clauses/ conditions of undertakings/ waivers filed in these consent proceedings.

9. This consent order is passed on **September 23, 2009** and shall come into force with immediate effect.

**New Delhi**

**PRAVEEN TRIVEDI**  
**Adjudicating Officer**