

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

**On the Application submitted by**

**Action Financial Services (India) Ltd.**

**In the matter of Suryadeep Salt Refinery and Chemical Works Limited**

***CO/IVD/767/AO/BM/1/2009***

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of Suryadeep Salt Refinery and Chemical Works Limited (hereinafter referred to as "**SSRCWL**") for the period from February 3, 2003 to June 6, 2003 and January 5, 2004 to March 29, 2004. The investigation revealed that Action Financial Services (India) Ltd., SEBI registered stock broker (SEBI Regn. No. INB010749233) (hereinafter referred to as '**Noticee**') indulged in manipulative trading in the shares of SSRCWL.
  
2. Accordingly, adjudication proceedings were initiated against the Noticee to inquire and adjudge the alleged violation of the provisions of regulations 4 (1), (2) (a), (b), (g) and (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and regulation 7 read with clauses A(1) to A(5) of Code of Conduct for Stock Brokers as stipulated in schedule II of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 under sections 15HA and 15HB read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, a Show Cause Notice No.EAD-5/VSS/JR/126043/2008 dated May 20, 2008 was issued by the previous Adjudicating Officer under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The undersigned was

subsequently appointed as the Adjudicating Officer vide order dated November 18, 2009 under section 15I of Securities and Exchange Board of India Act, 1992 read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

3. While the Adjudication Proceedings were in progress, the Noticee made an application dated June 2, 2008 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20<sup>th</sup> April, 2007 for Consent Order in respect of the aforesaid notice before SEBI. Subsequently, the Noticee vide its letter dated August 17, 2009 proposed revised consent terms of Rs.10,00,000/- (Rupees Ten Lakh only) towards settlement charges in the matter of SSRCL. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on September 15, 2009. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on the 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, without admitting or denying the guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs.10,00,000/- (Rupees Ten Lakh only) vide Demand Draft No. 524328 dated November 27, 2009, drawn on ICICI Bank Limited, Nariman Point Branch, Mumbai towards settlement charges.
5. In view of above, it is hereby ordered that,
  - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India 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 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.
6. This consent order is passed on December 9, 2009 and shall come into force with immediate effect.

**Barnali Mukherjee**  
**Adjudicating Officer**