

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

In respect of

M/s. Action Financial Services (India) Limited

Stock Broker, Bombay Stock Exchange Ltd (Regn. No. INB010749233),
Trading Member, National Stock Exchange of India Ltd (Regn. No.
INB230749237)

In the matter of M/s. G-Tech Info Training Limited

CO/IVD-4/960/AO/PG/18/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated March 28, 2008, initiated adjudication proceedings against M/s. Action Financial Services Limited (hereinafter referred to as '**Noticee**') for allegedly violating the provisions of regulation 4(2)(a) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulation, 2003 (hereinafter referred to as "**PFUTP Regulation**") and clauses A (1), A(2), A(3) & A(4) of the Code of Conduct for Stock Brokers as prescribed in Schedule II of regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulation, 1992 (hereinafter referred to as "**Brokers Regulations**") in the matter of trading in the shares of G-Tech Info Training Limited. The Noticee is stock broker, Bombay Stock Exchange Ltd (Regn. No. INB010749233) and Trading Member, National Stock Exchange of India Ltd. (Regn. No. INB230749237, INF230749237) and has its Registered Office at 31, Rajgir Chambers, 4th Floor, 12/14, Shahid Bhagat Singh Road, Mumbai – 400 001.
2. A show cause notice dated August 04, 2008 was issued under rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by

Adjudicating Officer) Rules, 1995 (hereinafter referred to as “**Adjudication Rules**”) read with section 15 I of the SEBI Act, 1992 by Mr. V.S. Sundaresan, Adjudicating Officer.

3. SEBI received an investor complaint dated January 05, 2004 alleging that the dematerialization requests of shares were deliberately turned down to create artificial scarcity of floating stock in the shares of G-Tech Info Training Limited (hereinafter referred to as “**G-Tech**”) in order to manipulate their price. Therefore, SEBI conducted an investigation in the affairs, trading and dealings in the scrip of G-Tech from the period July 01, 2003 to December 31, 2003. The investigation revealed that the Noticee had allegedly aided and abetted certain entities to manipulate price/volume in the shares of G-Tech. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under sections 15HA and 15HB of Securities and Exchange Board of India Act, 1992 the alleged violation of the provisions of PFUTP Regulations and Brokers Regulations as stated above.
4. Pursuant to the transfer of Shri V.S. Sundaresan, the undersigned has been appointed as Adjudicating Officer vide order dated November 12, 2009.
5. While the adjudication proceedings were in progress, the Noticee submitted an application dated September 02, 2008 and the Undertaking / Waivers in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid proceedings before SEBI (Application No. 960/2008). Subsequently, the Noticee, vide letter dated August 17, 2009, proposed to pay a sum of Rs.20,00,000/- (Rupees Twenty lakhs only) towards settlement charges as revised consent terms.

6. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**'). The HPAC, after considering the facts and circumstances of the case, consent terms offered by the Noticee & the material brought before it by SEBI, recommended that the case may be settled on payment of Rs.20,00,000/- (Rupees twenty lakhs only) towards settlement charges. Thereafter, SEBI, vide letter dated November 04, 2009, communicated to the Noticee its acceptance of the revised consent terms and advised it to pay the amount accordingly. The Noticee has remitted a sum of Rs.20,00,000/- (Rupees twenty lakhs only), vide Demand Draft No.524327 dated November 27, 2009 drawn on ICICI Bank Ltd., 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 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.
8. This consent order is passed on December 22, 2009 and shall come into force with immediate effect.

9. In terms of rule 6 of the Adjudication Rules, copies of this order are being sent to the noticee and to Securities and Exchange Board of India.

Date : December 22, 2009
Place: Mumbai

Piyoosh Gupta
Adjudicating Officer