

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

On the Application submitted by
Allied Financial Services Ltd. (SEBI Regn. No. INB230769237)
In the matter of Aarti Drugs Ltd., Havells India Ltd. and Lyka Labs Ltd.

CO/IVD-3/1333/2009/AO/BM/56/2010

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') initiated adjudication proceedings against Allied Financial Services Ltd. (hereinafter referred as 'Noticee'), for the alleged violation of the provisions of regulations 4 (1), (2) (a), (b),(e), (g) and (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations (hereinafter referred to as 'PFUTP 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(hereinafter referred to as 'Broker Regulations') in the matter of trading in the shares of Aarti Drugs Ltd., Havells India Ltd. and Lyka Labs Ltd.
2. Consequently, a Show Cause Notice No.EAD-5/VSS/RK/126587/2008 dated May 26, 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, to show cause as to why an inquiry may not be conducted against the noticee for violation of the above mentioned provisions of PFUTP Regulations and Broker Regulations and penalty not be imposed under section 15 HA and 15 HB of SEBI Act, 1992. 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 May 22, 2009 and an affidavit of "undertakings and waivers" in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the

aforesaid notice before SEBI. Subsequently, the Noticee vide its letter dated March 04, 2010 proposed revised consent terms of Rs.3,50,000/- (Rupees Three Lakh Fifty Thousand only) towards settlement charges in respect of the aforesaid proceedings before SEBI. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on May 17, 2010. 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, which has been approved by the panel of Whole Time Members of SEBI on June 02, 2010.. Thereafter, SEBI vide letter dated June 04, 2010 conveyed the recommendations of the HPAC to the applicant and advised the applicant to pay in accordance with consent terms.

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.3,50,000/- (Rupees Three Lakh Fifty Thousand only) vide Demand Draft No. 058791 dated June 15, 2010, drawn on HDFC Bank, Fort, 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 June 22, 2010 and shall come into force with immediate effect.

7. In terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticee and also to SEBI

Place: Mumbai

Barnali Mukherjee
Adjudicating Officer