

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

CONSENT ORDER

On the Application submitted by

Tata Securities Ltd.

In the matter of RTS Power Corporation Ltd.

CO/IVD4/2215/2010/AO/BM/103/2011

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') initiated adjudication proceedings in respect of M/s Tata Securities Ltd. (hereinafter referred as 'Noticee'), for the alleged violation of the provisions of clause A(1), A(2) and A(5) of schedule II under Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as "**Brokers Regulations**") in the matter of RTS Power Corporation Ltd (hereinafter referred to as "**RTS**").
2. The Noticee was alleged to allow its client to take huge positions in the scrip of RTS within one month of his registration with the Noticee. The client failed to fulfill its pay-in obligations with respect to his trades. This indicated failure of risk management at the end of the Noticee and adjudication proceedings were initiated against it for the alleged failure.
3. The undersigned was appointed as the Adjudicating Officer vide order dated July 23, 2010. Consequently, a Show Cause Notice No.EAD-6/BM/JR/29474/2010 dated December 9, 2010 was issued by the undersigned 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 Brokers

Regulations and penalty not be imposed under sections 15 HB of SEBI Act, 1992.

4. While the Adjudication Proceedings were in progress, the Noticee made an application dated January 28, 2011 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 April 28, 2011 proposed consent terms of ₹5,00,000/- (Rupees Five Lakh only) towards settlement charges in respect of the aforesaid proceedings before SEBI. The terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on May 16, 2011. 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 15, 2011. Thereafter, SEBI vide letter dated June 22, 2011 conveyed the recommendations of the HPAC to the applicant and advised the applicant to pay in accordance with consent terms.
5. 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 ₹5,00,000/- (Rupees Five Lakh only) vide Demand Draft No. 915020 dated June 30, 2011 drawn on HDFC Bank, Fort, Mumbai towards settlement charges.
6. 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.

- 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.
- 8. This consent order is passed on July 6, 2011.

Place: Mumbai

**Barnali Mukherjee
Adjudicating Officer**