

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

IDBI TRUSTEESHIP SERVICES LIMITED

IN THE MATTER OF

**IDBI TRUSTEESHIP SERVICES LIMITED
(SEBI REGISTRATION NO: IND 000000460)
CO .No. MIRSD-IV/DT/ OW/6223/2010/GPG Dated 31-05-2010**

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), had initiated adjudication proceedings against IDBI Trusteeship Services Limited (hereinafter referred to as the '**Noticee**') for the alleged violation of the following provisions from the findings of the inspection of Western India Trustee and Executor Company Ltd. (WITECO) during March 16-23, 2007.
 - a. Regulation 13,14,15 (1) (c), 15(1) (f), 15(1) (g), 15(1)(h), 15(1) (l), 15(1) (n), 15(2) (b), 15(5) and 18 (d) of the SEBI (Debenture Trustees) Regulations, 1993 (herein after referred to as the DT Regulations, 1993).
 - b. Clauses 4, 16 and 26 of Code of Conduct stipulated under Regulation 16 of DT Regulations, 1993.
 - c. Clause 10.2.6 (c) and 10.6.4 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.
2. The undersigned was appointed as the Adjudicating Officer (AO), vide order dated June 29, 2009 under Section 15-I of the Securities and

Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), read with SEBI (Procedure for holding Inquiry and Imposing penalties by Adjudicating Officer) Rules, 1995 (hereafter referred to as the '**Rules**'). Consequently, Show Cause Notice No. GPG/AO/178954/2009 dated October 06, 2009 was issued to the Noticee under rule 4 of the Rules.

3. Pending adjudication proceedings, the Noticee made an application dated January 12, 2010 (Consent Application No.1780/2010) along with undertakings in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 for the settlement of proceedings, through consent order. Pursuant to the said application, the Noticee submitted its revised consent terms vide its letter dated February 05, 2010 without admitting or denying the guilt and subject to the clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs. 3,50,000/- (Rupees Three Fifty Thousand Only) towards settlement charges including administrative expenses and consider the background that the Noticee is a creature of government owned financial institution.
4. The revised consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as "**HPAC**") on March 30, 2010 and HPAC after deliberation recommended the case for settlement on the aforesaid revised consent terms proposed by the Noticee.
5. The acceptance of the said recommendation was communicated to the Noticee by SEBI vide letter EFD/ DVS/KM/OW/1537/2010 dated April 16, 2010. In pursuance of the aforesaid consent terms, without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of Rs.3,50,000/-

(Rupees Three Lakh Fifty Thousand only), vide demand draft No. 000057 dated April 19, 2010 drawn on IDBI Bank, Mumbai and an undertaking that corrective steps have been taken by the Noticee to ensure compliance with the findings of SEBI towards the terms of consent in the matter.

6. In view of the above, it is hereby ordered that:

i. This consent order disposes of the said adjudication proceedings initiated against the Noticee under SEBI Act, 1992, and

ii. Passing of this order is without prejudice to the right of SEBI to initiate enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:

a. any representation made by the Noticee in this consent proceeding is subsequently discovered to be untrue.

b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceeding.

7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to the Noticee and also to the Securities and Exchange Board of India, Mumbai.

8. This consent order is passed on this day 31st day of May, 2010 and shall come into force with immediate effect.

G.P.GARG
ADJUDICATING OFFICER