

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

On the Application submitted by
Singhal Capital Services Limited (SEBI Regn. No. INB230754036)
In the matter of Kajaria Ceramics Limited

CO/IVD/1337/2009/AO/BM/25/2010

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of Kajaria ceramics Ltd during the period from August 14, 2003 to December 31, 2003. The investigation revealed that **M/s. Singhal Capital Services Limited..**, SEBI registered stock broker (SEBI Regn. No. INB230754036) (hereinafter referred to as '**Noticee**') indulged in manipulative trading in the scrip.
2. Accordingly, adjudication proceedings were initiated against the Noticee to inquire into and adjudge 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, 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/RK/126592/2008 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. 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 21, 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 January 18, 2010 proposed revised consent terms of Rs.3,00,000/- (Rupees Three Lakh only) towards settlement charges in the matter of Kajaria Ceramics Ltd. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on January 27, 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. Thereafter, SEBI vide letter dated March 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.3,00,000/- (Rupees Three Lakh only) vide Demand Draft No. 056238 dated March 12, 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 March 31, 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

Barnali Mukherjee
Adjudicating Officer