

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. ISD/RML/AO/DRK/MD/EAD-3/CO- 43/09 – 4/2010

CONSENT ORDER

(Consent Application No.985/2008)

ON THE APPLICATION SUBMITTED BY

1. POLYOLE FIBRE PRIVATE LIMITED

2. JAI CORP LIMITED

3. NIDHI POLYESTER LIMITED

IN THE MATTER OF

RAP MEDIA LIMITED

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated June 26, 2008 had initiated adjudication proceedings against Polyole Fibre Private Limited, Jai Corp Limited & Nidhi Polyester Limited (hereinafter referred to as the '**Noticees**'), to inquire into and adjudge under Section 15A(b) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the provisions of Regulation 13 (3) & 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulation 7(1) & (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for alleged failure to disclose the acquisition of shares representing 14.98% of the equity share capital and sale of 5.52% equity share capital of the company, to the company Rap Media Limited (hereinafter referred to as the '**RML**') and to the stock exchanges. Show Cause Notices A&E/BS/MDE/134503/2008, A&E/BS/MDE/134501/2008 & A&E/BS/MDE/134541/2008 dated August 7, 2008 was issued to the Noticees.
2. I was subsequently appointed as the Adjudicating Officer vide order dated December 10, 2008 under section 15 I of the SEBI Act read with Rule 3 of

Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

3. Pending adjudication proceedings, all the three Noticees made a common application dated September 18, 2008 (Consent application Regn. No. 985 of 2008) and 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. Subsequently, the Noticees vide its letter dated October 9, 2009 proposed revised consent terms of Rs. 15,00,000 (Rupees Fifteen Lakhs only) towards settlement charges including administrative charges. Pursuant to the observation of Hon'ble Securities Appellate Tribunal dated October 5, 2009 the consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "**HPAC**") on November 03, 2009, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticees and other material brought before the HPAC. HPAC after deliberations recommended the case may be settled on payment of Rs 11,50,000 (Rupees Eleven Lakh Fifty Thousand only) towards settlement charges and Rs. 3,50,000 (Rupees Thirty Lakh Fifty Thousand only) towards legal expenses as proposed by the Noticees and the same was approved by the panel of Whole Time Members of SEBI.
4. In terms of the proposal of the Noticees for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticees to the findings of fact or conclusions of law, the Noticees have remitted a sum of Rs. 15,00,000 (Rupees Fifteen Lakhs only) favoring Securities and Exchange Board of India vide Demand Draft No. 166015 dated 11/12/2009 drawn on Canara Bank, towards the settlement charges.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the Noticees under SEBI 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 Noticees, if SEBI finds that:
 - a. any representations made by the Noticees in the consent proceedings are subsequently discovered to be untrue.
 - b. the Noticees have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
- 6. This consent order shall come into force with effect from 20th day of January, 2010.
- 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 Polyole Fibre Private Limited, Jai Corp Limited & Nidhi Polyester Limited and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: January 20, 2010

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER