

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

JAICO SECURITIES PRIVATE LIMITED

IN THE MATTER OF

JINDAL STAINLESS LIMITED

&

**BSEL INFRASTRUCTURE REALTY LIMITED AND
MAHARASHTRA SEAMLESS LIMITED.**

&

COSMO FILMS LTD.

(CONSENT APPLICATION NOs. 50 of 2007, 667 & 667A of 2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the irregularities in the trading of shares of Jindal Stainless Limited, BSEL Infrastructure Realty Limited and Maharashtra Seamless Limited, and M/s Cosmo Films Limited. The investigations, *prima facie*, revealed that Jaico Securities Private Limited, a broker of National Stock Exchange (hereinafter referred to as 'applicant') with SEBI Registration No. INB 230600735 during the period of August 2003 to March 2004 had along with others indulged in executing irregular trades in these scrips. It was, therefore, alleged that the applicant had violated the provisions of Regulation 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and the

Code of Conduct prescribed under Regulation 7 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992.

2. Pursuant to the said investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 and adjudication proceeding under the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, against the applicant. Thereafter, SEBI issued Show Cause Notice No. EAD/GBR/984201/2007 dated July 11, 2007, Show Cause Notice No. IVD/ID-6/BM/DM/BSEL-MSSL/108216/2007 dated November 08, 2007 and Show Cause Notice No. EAD-5/VSS/RK/120899/2008 dated March 18, 2008 to the applicant.

3. While the above proceedings were in progress, the applicant vide letters dated July 26, 2007, May 06, 2008 and April 13, 2009 proposed settlement of the aforesaid proceedings through consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The High Powered Advisory Committee constituted by SEBI, considered the consent terms proposed by the applicant and recommended the cases for settlement on payment of Rs. 20,00,000/- (Rupees Twenty lakh only) towards settlement charges along with voluntary suspension of certificate of registration as broker for a period of two months. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated August 05, 2009.

4. The applicant for the sole purpose of settling the matters without admitting or denying the charges, remitted a sum of Rs.20,00,000/- (Rupees Twenty lakh only) vide Demand Draft No.521190 dated August 18, 2009 drawn on ICICI Bank Ltd., payable at Mumbai. The applicant also vide letter dated August 19, 2009,

undertook to undergo voluntary suspension of certificate of registration as broker for a period of two months.

5. In view of the above, it is hereby ordered that this consent order disposes of the above said proceedings against the applicant. It is also ordered that the applicant shall not buy, sell or otherwise deal in securities as a broker for a period of two months from October 26, 2009. A copy of this order shall be sent to National Stock Exchange (NSE) to ensure that the applicant (PAN No. AAACJ1347G) does not deal in securities as a broker during the period specified herein.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing / reopening of the proceedings pending against the applicant, if:

- a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
- b. The applicant breaches any of the consent terms or undertakings filed in this consent proceeding.

7. This consent order is passed on this day, the 23 of October 2009 and shall come into force with immediate effect.

M. S. Sahoo
Whole Time Member

Dr. K. M. Abraham
Whole Time Member

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO.: - SD/AO/127/2009]

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING
INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER)
RULES, 1995**

Against

M/s. Jaico Securities Pvt. Ltd.

**In the Matter of
Jindal Stainless Limited**

BRIEF FACTS OF THE CASE:

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated investigation against M/s. Jaico Securities Limited (hereinafter referred to as 'Noticee'), to examine the possibility of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations") and the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as the "Broker Regulations") in respect of trading in the scrip of M/s. Jindal Stainless Limited (hereinafter referred to as 'ATL').

APPOINTMENT OF ADJUDICATING OFFICER:

2. Ms. Babita Rayudu was appointed as the Adjudicating Officer vide order of SEBI dated October 20, 2006 under section 15-I of the Act r/w rule 3 of SEBI (Procedure for holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the Adjudicating Rules) to

inquire into and adjudge under Section 15HA and 15HB of the Securities and Exchange Board of India Act, 1992(hereinafter referred to as the 'SEBI Act'), the alleged violation of the provisions of Regulations 4(1), 4(2)(a), (b), (g), and (n) of PFUTP Regulations and the Clauses A (1), (2), (3), (4) & (5) of the Code of Conduct for Stock Brokers as specified in Schedule II under Regulation 7 of Broker Regulations.

SHOW CAUSE NOTICE/REPLY:

3. Accordingly, a notice to show cause dated July 11, 2007 under Rule 4 (1) of the Adjudication Rules was issued to the Noticee asking it to show cause as to why an enquiry should not be held against it in terms of Section 15I of the SEBI Act and penalty be not imposed under Section 15HA and 15HB of the SEBI Act for the alleged violation by it of the abovementioned provisions of the PIT Regulations.
4. In response to the said notice to show cause (hereinafter referred to as the 'SCN'), the Noticee vide letter dated July 24, 2007 indicated his desire to opt for consent proceedings.
5. Accordingly the Noticee filed the consent application and the Enforcement Department of SEBI had advised the erstwhile AO to keep the instant adjudication proceedings in abeyance vide its Office Note dated July 31, 2007.
6. Subsequently, the said consent application has been accepted as per the terms of Circular dated EFD/ED/Cir.-1/2007 dated April 20, 2007 and accordingly the Board has passed a consent order dated October 23, 2009 for various pending proceedings against the Noticee including in the instant adjudication proceedings. The status of the consent order has been duly confirmed by the Enforcement Department of SEBI to the undersigned by Office Note dated October 23, 2009.

7. In view of the said consent order of the Board, I am of the opinion that no further inquiry as per Rule 4(3) of the Adjudicating Rules is necessary in the instant matter and the matter is accordingly disposed off.
8. In terms of rule 6 of the Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

Date: October 29, 2009

Place: Mumbai

**SANDEEP DEORE
ADJUDICATING OFFICER**