

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,
MUMBAI

CONSENT ORDER

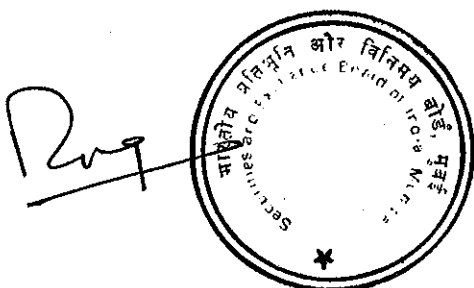
ON THE APPLICATION SUBMITTED BY
INDIABULLS SECURITIES LIMITED

MEMBER
NATIONAL STOCK EXCHANGE LIMITED
CM (SEBI REGN NO. INB230875632)
F&O (SEBI REGN NO. INF230875632)
&
BOMBAY STOCK EXCHANGE LIMITED
CM (SEBI REGN NO. INB010875632)
F&O (SEBI REGN NO. INF010875632)

IN THE MATTER OF INDIABULLS SECURITIES LIMITED

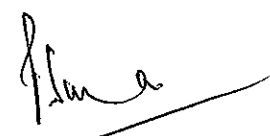
(CONSENT APPLICATION NO. 2257/2011)

1. Securities and Exchange Board of India ('the Board') conducted investigation into the trading done by Indiabulls Securities Ltd. (hereinafter referred to as the 'applicant') for the financial year 2008-09. It was alleged that the applicant had modified the client codes without informing the exchange and issued contract notes to transferee clients. Applicant also allegedly indulged in wrong margin reporting for both transferor and transferee. The applicant failed to provide order book for the F&O Segment for the year 2008-2009 despite reminders. The applicant transferred trades and issued contract notes to clients of which no Unique Client Codes details were uploaded with the exchange at the time of transfers. Further, the relevant Unique Client Code details were uploaded only after a gap of 5-6 months. On the part of applicant there was lack of due diligence and care in conduct of its business.
2. Based on the investigation it was alleged that the applicant had violated provisions of Regulation 7 read with clause A (1), (2), (3), (4) and (5) and B (2) of Code of Conduct specified under Schedule II of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.



3. The enquiry proceedings commenced with respect to above alleged violations by issuance of a show cause notice no. EAD-6/BM/VS/32696/2011 dated October 18, 2011. Applicant filed its reply dated November 08, 2011.
4. While the enquiry proceedings in the matter were pending before the enquiry officer, the applicant proposed settlement of the said proceedings in terms of SEBI circular no. EFD/ED/Cir-1/2007 dated April 20, 2007 through a consent order. Vide its letter dated August 06, 2012, the applicant proposed revised consent terms of Rs.5,10,000/- (Rupees Five Lakh Ten Thousand only). The said revised proposal was considered by the High Powered Advisory Committee ('the HPAC') which, after deliberations, recommended the settlement of the enquiry proceedings pending against the applicant on the consent terms proposed by it. SEBI accepted the said recommendation and the same was communicated to the applicant vide letter dated November 21, 2012.
5. The applicant has forwarded a Demand Draft bearing no. 609488 dated November 26, 2012 in favour of SEBI for a sum of Rs.5,10,000/- (Rupees Five Lakh Ten Thousand only) drawn on HDFC Bank, Mumbai, without admitting or denying the guilt on its part.
6. In view of the above, it is hereby ordered that this consent order disposes of the aforesaid enquiry proceedings initiated against Indiabulls Securities Limited (PAN. AAACO0870B), vide show cause notice no. EAD-6/BM/VS/32696/2011 dated October 18, 2011.
7. This order is without prejudice to the powers of the Board to initiate enforcement actions, including commencing or 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.
8. This consent order is passed on the 02 day of January, 2013.


RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER


PRASHANT SARAN
WHOLE TIME MEMBER

