

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

On the Application submitted by
Marck Securities Pvt. Ltd.
SEBI Registration No. INB 231107138

CO/MIRSD-DPS-I/1938/AO/VSS/64/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an inspection of books and records of Marck Securities Pvt. Ltd. (hereinafter referred to as '**Noticee**') on January 17-19, 2005. The inspection revealed that the Noticee has dealt with an unregistered sub broker, namely, Mr. Sanjay Kumar Varshney (sole proprietor of M/s. R Dayal and J K Securities) even after having knowledge of the fact that he was not registered with SEBI as a sub-broker. Further, the Noticee granted its trading terminals at places other than its registered office, branch office and office of its registered sub-brokers. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under section 15HB of Securities and Exchange Board of India Act, 1992 the alleged violation of the provisions of regulations 18B of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and SEBI Circular Nos. SMD/POLICY/CIRCULAR/3-97 dated March 31, 1997 and SMDRP/Policy/Cir/49/2001 dated October 22, 2001. Consequently, a Show Cause Notice No. EAD-5/VSS/RK/120961/2008 dated March 19, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
2. While the Adjudication Proceedings were in progress, the Noticee made an application dated August 18, 2008 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 letter dated November 15, 2008 proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of Rs.90,000/- (Rupees ninety thousand only) towards settlement charges and Rs.10,000/- (Rupees ten thousand only) as administrative charges in the matter. The revised terms as

proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on February 3, 2009. 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 payment of Rs.90,000/- (Rupees ninety thousand only) towards settlement charges and Rs.10,000/- (Rupees ten thousand) towards administrative charges in the matter. The recommendations of HPAC were placed before the two Whole Time Members of the Board who have agreed to the terms of consent as recommended by HPAC.

3. The acceptance of consent proposal was communicated to the Noticee vide letter dated March 6, 2009. In pursuance of the aforesaid consent terms, the Noticee has remitted a sum of Rs.1,00,000/- (Rupees one lakh only), vide two Demand Drafts, (i) Draft No. 046482 dated March 9, 2009 drawn on HDFC Bank Ltd., Mumbai for Rs.90,000/- and (ii) Draft No. 046483 dated March 9, 2009 drawn on HDFC Bank Ltd., Mumbai for Rs.10,000/- towards the terms of consent in the matter.
4. 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.
5. This consent order is passed on the 27th April, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer