

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

S.L. GUPTA & CO.

(REGISTRATION NO. INB050104015 AND NO. INS011946915)

IN THE MATTER OF

SKYWEB INFOTECH LIMITED AND SUNSHINE CAPITAL LIMITED

(CONSENT APPLICATION No. 854/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in the trading of the shares of Skyweb Infotech Limited (hereinafter referred to as the 'SIL') and Sunshine Capital Limited (hereinafter referred to as the 'SCL'). The investigations, *prima facie* revealed that S.L. Gupta & Co., a broker of the Delhi Stock Exchange Ltd. (DSE) with SEBI registration No. INB050104015 (hereinafter referred to as 'applicant'), who was having business relationship with SIL, had executed irregular trades in the shares of SIL during the period January 25, 2001 - May 21, 2002. The applicant also executed irregular orders in the shares of SCL during the period March 1, 2001 - January 21, 2002. It was, therefore, alleged that the applicant violated the provisions of Regulations 3, 4 (a) to (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and Clauses A (1), (3) and (4) of the Code of Conduct for Stock Brokers as contained in Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings against the applicant under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations 2002. The Enquiry Officer issued a show cause notice to the applicant on June 27, 2008. The applicant replied to the said show cause notice vide letter dated July 14, 2008.
3. While the above proceedings were in progress, the applicant, vide letter dated July 14, 2008, proposed settlement of the said proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.01/2007 dated April 20, 2007. The applicant, vide letter dated January 1, 2009, proposed revised consent terms of Rs.1,00,000/- (Rupees one lakh only) towards settlement charges and an undertaking to refrain from stock broking as a member of the DSE for four months. The High Powered Advisory Committee, appointed by SEBI, considered the consent terms proposed by the applicant and recommended the case may be settled if the applicant does not carry on sub-broking also for a period of four

months in addition to the terms proposed by him. SEBI accepted the recommendations of HPAC and communicated the same to the applicant vide letter dated March 24, 2009.

4. Accordingly, the applicant without admitting or denying the charges has remitted a sum of Rs. 1,00,000/- (Rupees one lakh only) towards settlement charges vide Demand Draft no. 046995 dated March 27, 2009 drawn on HDFC Bank Limited, Mumbai. It has also furnished an undertaking, vide letter dated March 27, 2009, to voluntarily refrain from undertaking the activities as broker of Delhi Stock Exchange and also as sub-broker of DSE Financial Services Ltd for a period of four months.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending against the applicant in the matter of Skyweb Infotech Limited and Sunshine Capital Limited. It is also ordered that the certificates of registration No. INB050104015 as broker and No. INS011946915 as sub-broker shall remain suspended for a period of four months.
6. This order is without prejudice to the right of SEBI to take 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. A copy of this order shall be served on the National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE), Delhi Stock Exchange Ltd. and DSE Financial Services Ltd. to ensure that the applicant does not deal in securities as a broker and sub-broker for four months.
8. This consent order is passed on this day, the 19th of May, 2009 and shall come into force from 20th May, 2009

M. S. Sahoo
Whole Time Member

K. M. Abraham
Whole Time Member