

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

**ON THE APPLICATION SUBMITTED BY
NIRMAL BANG SECURITIES PVT. LTD**

**IN THE MATTER OF
CYBERSCAPE MULTIMEDIA LTD**

(CONSENT APPLICATION NO. 2149 OF 2010)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of Cyberscape Multimedia Limited (hereinafter referred to as the 'Company') for the period September 18, 2000 to December 08, 2000. The investigations, *prima facie*, revealed that Nirmal Bang Securities Pvt. Ltd (hereinafter referred to as the 'applicant'), a stock broker with registration nos. INB011072759 on BSE and 230939139 on NSE had allowed its sub-broker at Bangalore Stock Exchange, Arihant Stocks Ltd, to trade as un-registered sub-broker on BSE.
2. Pursuant to the investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant. The Enquiry Officer issued a Show Cause Notice under Rule 4(1) of SEBI (Procedure for Holding Enquiry and Imposing Penalties by the Adjudicating Officer) Rules, 1995 alleging that the applicant had violated provisions of Clause A(5) of Code of Conduct specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers & Sub-brokers) Regulations, 1992. Further, the

Enquiry Officer has submitted his report recommending no penalty. Thereafter, a show cause notice dated September 28, 2010 was issued to the applicant to show cause as to why the a higher penalty than as recommended by the enquiry officer should not be imposed.

3. While the above proceedings were in progress, the applicant vide letter dated October 27, 2010 proposed settlement of the pending proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant proposed revised consent terms vide letter dated December 23, 2010. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) which, after deliberations, recommended that the case may be settled on payment of Rs.1,00,000 (Rupees one lakh only) towards settlement charges. SEBI accepted the recommendations of the HPAC and communicated the same to the applicant vide letter dated February 03, 2011.
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. 588444 dated February 08, 2011 drawn on Axis Bank Ltd, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the pending enquiry proceedings against the applicant in the matter of Cyberscape Multimedia Limited.
6. This order is without prejudice to the right of SEBI 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 undertaking filed in this consent proceeding.
7. A copy of this order shall be sent to BSE and NSE, of which the applicant is the broker.
8. This consent order is passed on this day, the 22nd of February, 2011 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER