

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application no. **3080 of 2016**

Filed by **HSBC InvestDirect Securities (India) Limited** earlier known as **IL&FS Investmart Securities Limited** in the matter of **Adani Exports Limited**

1. HSBC InvestDirect Securities (India) Limited earlier known as IL&FS Investmart Securities Limited (hereinafter referred to as ‘applicant’) vide letter dated October 28, 2015, filed an application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (“Settlement Regulations”), proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the proceedings pending against them under the SEBI (Intermediaries) Regulations, 2008 initiated vide Show Cause Notice dated July 30, 2009, for the alleged violation of the provisions of Regulation 4(a),(b)(c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 and Regulation 7 read with clause A(1) to (5) of the code of conduct for stock brokers as specified under Schedule II of the SEBI (Stock Broker and Sub-broker) Regulations, 1992.
2. The authorised representatives of the applicant had meetings with the Internal Committee of SEBI on July 12, 2016, November 24, 2016, March 03, 2017 and September 26, 2017, wherein the settlement terms were deliberated. Thereafter, the applicant, vide letter dated October 11, 2017, proposed the revised settlement terms to settle the defaults mentioned above.
3. The High Powered Advisory Committee (‘HPAC’) in its meetings held on November 27, 2017 considered the settlement terms proposed by the applicant and recommended the case for settlement upon payment of ₹3,30,57,343/- (Rupees Three Crore Thirty Lakh Fifty Seven Thousand Three Hundred Forty Three only) by the applicant towards settlement terms for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was

communicated to the applicant vide e-mail dated January 04, 2018.

4. The applicant vide Demand Draft no. 202778 dated January 09, 2018, drawn on HDFC Bank has remitted ₹3,30,57,343/- (Rupees Three Crore Thirty Lakh Fifty Seven Thousand Three Hundred Forty Three only) towards the settlement charges.
5. Accordingly, the proceedings under SEBI (Intermediaries) Regulations, 2008 for the defaults as discussed in paragraph 1 pre-page, are settled *qua* the applicant as per the above terms by way of this order and SEBI shall not initiate any enforcement action against the applicant for the said defaults.
6. In view of the above, in terms of regulations 15 and 19 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the proceedings under SEBI (Intermediaries) Regulations, 2008 in respect of the applicant as mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order is passed on this 17th day of January, 2018 and shall come into force with immediate effect.
8. In terms of regulation 17 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

G. MAHALINGAM
WHOLE TIME MEMBER

MADHABI PURI BUCH
WHOLE TIME MEMBER