

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

On the Application submitted by
D.K. Modi Securities Pvt. Ltd.
In the matter of Marson's Limited

CO/ERO/998/AO/VSS/155/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of M/s Marson's Limited (hereinafter referred to as "**ML**") for the period from November 10, 2004 to December 23, 2004. The investigation revealed that D.K. Modi Securities Pvt. Ltd. (hereinafter referred to as '**Noticee**') indulged in manipulative trading in the shares of ML. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge the alleged violation of the provisions of regulations 3, 4 (1), (2) (a), (b), (e), (g), (n) and (o) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and regulation 7 read with clauses A(1) to A(4) and B(4)(a) of Code of Conduct for Stock Brokers as stipulated in schedule II of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 under sections 15HA and 15HB read with section 15I of Securities and Exchange Board of India Act, 1992. Consequently, a Show Cause Notice No.EAD-5/VSS/JR/136360/2008 dated August 29, 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 September 30, 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 January 14, 2009 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.50,000/- (Rupees Fifty Thousand only) towards settlement charges in the matter. Further, the Noticee vide letter dated January 22, 2009 proposed revised consent terms, submitting that it was willing to pay a sum of Rs.1,00,000/- (Rupees One Lakh only). The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on August 17, 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.1,00,000/- (Rupees One Lakh only) towards settlement charges in the matter.

3. SEBI vide letter dated September 10, 2009 communicated to the Noticee its acceptance of the consent terms proposed by the Noticee. Accordingly, the Noticee has remitted a sum of Rs.1,00,000/- (Rupees One Lakh only), vide Demand Draft No.261255 dated September 15, 2009 drawn on Bank of India, Mumbai 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 October 08, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer