

Consent Order against Spark Securities Pvt. Ltd

Jan 24, 2008 | Orders : Settlement Order

[CONSENT ORDER NO.AO/BS/2/2008]

ORDER UNDER SECTION 15I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5(1) OF THE SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995 IN THE ADJUDICATION PROCEEDINGS AGAINST SPARK SECURITIES PVT. LTD.

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") has initiated adjudication proceedings against the stock broker Spark Securities Pvt. Ltd. (he referred to as "the applicant") for the alleged violation of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Conduct for stock brokers under Regulation 7 of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. SEBI had conducted investigation into the trading in the scrip of Organosys Ltd and it is alleged on the basis of the findings of investigation that the entity has indulged in synchronized trading and thereby violated provisions of Regulation 7 and (2)(a), (b), (e), (g) & (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and clause A(1), (2), (3),(4) of Code of Conduct for stock brokers under Regulation 7 of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.
2. The applicant made an application dated August 17, 2007 along with an affidavit of "undertakings / waivers" in the matter in terms of SEBI Circular no. EFD/Cir-1/2007 dated 20, 2007 pursuant to the show cause notice sent with Reference number A&E/BS/77859/2006 dated September 28, 2006. Pursuant to the above application, the applicant vide letter dated October 18, 2007 proposed revised consent terms where the applicant, without admitting or denying guilt and subject to the clauses of the undertakings and the proposed to offer Rs. 2,00,000 (Rupees two lakh only) in the matter.
3. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) and HPAC after deliberation recommended the settlement on payment of Rs. 2,00,000 (Rupees two lakh only) by the applicant.
4. In terms of the applicant's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding or conclusion of law, applicant has remitted a sum of Rs.2,00,000/-(Rupees Two lakh only) vide Demand Draft No. 004964 dated 27.12.2007 drawn on HDFC Bank, Fort, Mumbai towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:

i) this consent order disposes of the present adjudication proceedings initiated vide show cause notice A&E/BS/77859/2006 dated September 28, 2006 against the applicant

ii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action including commencing/reopening of the pending proceedings against the applicant if SEBI finds that:

a. any representations made by the applicant in the consent proceedings are subsequently discovered to be untrue.

b. the applicant has breached any of the clauses / conditions of undertakings/waivers filed during the current consent proceedings.
6. This consent order is passed on this 24<sup>th</sup> day of January 2008 and shall come into force with immediate effect.

Biju. S  
Adjudicating Officer

