

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

**CONSENT ORDER
(Application No. 2771 of 2013)**

**On the application submitted by
M/s MANUBHAI MANGALDAS SECURITIES PVT LTD
(PAN no. AAACM8035G)**

Consent Order No: MIRSD-2/EAD-6/AO/AK/92/2014

1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against M/s Manubhai Mangaldas Securities Pvt Ltd (hereinafter referred to as **Noticee**) to inquire into and adjudge under section 15 HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **SEBI Act**), for the alleged violation/contravention of the provisions of the SEBI circular SMD/SED/CIR/93/23321 dated November 18, 1993 on "Regulation of transaction between clients and brokers" and Clause A (2) and A (5) of the code of conduct specified under Schedule II read with Regulation 7 of SEBI (Stock Brokers & Sub brokers) Regulations, 1992.
2. It was observed the Noticee, a broker did not maintain a separate demat account for proprietary trades and client trades. It was observed that the Noticee's own shares were maintained along with its clients shares in a common demat account no. 1203210000070314 with CDSL since 2009.
3. The undersigned was appointed as Adjudicating Officer (**AO**) vide order dated September 10, 2013 under section 15 I of the SEBI Act to inquire into and adjudge under Sections 15 HB of the SEBI Act for the aforesaid alleged violations. Consequently, Show Cause Notice dated October 07, 2013 was issued to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, seeking reply of the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.

4. While the Adjudication Proceedings were in progress, the Noticee submitted an application for Consent Order dated November 11, 2013 and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. The Noticee, vide letter dated December 26, 2013 proposed Rs. 6,80,000/- (Rupees Six Lakhs Eighty Thousand only) as revised consent terms towards settlement charges in respect of the aforesaid proceedings before SEBI.
5. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) on February 21, 2014 and HPAC after deliberation recommended the case for settlement on payment of Rs. 6,80,000/- (Rupees Six Lakhs Eighty Thousand only) towards settlement charges. Thereafter, SEBI vide letter dated June 06, 2014 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the consent proposed by the Noticee subject to the clauses of Undertakings/Waivers mentioned in the consent application and advised the Noticee to pay in accordance with the revised consent terms.
6. In terms of the proposal of the Noticee, for the sole purpose of settling the matter on hand, without admitting or denying the guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs. 6,80,000/- (Rupees Six Lakhs Eighty Thousand only) favouring Securities and Exchange Board of India having cheque No. 184281 dated June 09, 2014 drawn on Bank of India towards the terms of consent in the matter.
7. In view of the above, , it is hereby ordered in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:
 - A) this Consent Order disposes of the said Adjudication Proceedings pending in respect of the Noticee as mentioned in para 1 and 2 above and;
 - B) 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 representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.

b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

8. This consent order is passed on the **25th day of June, 2014** and shall come into force with immediate effect.
9. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee and also to Securities and Exchange Board of India, Mumbai.

Place: Mumbai

**Anita Kenkare
Adjudicating Officer**