

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

(CONSENT APPLICATION No. 1692/2009)

ON THE APPLICATION SUBMITTED BY

M/s. UTI SECURITIES LIMITED

(NOW, STANDARD CHARTERED - STCI CAPITAL MARKETS LIMITED)

MEMBER OF BSE & NSE

OLD NOS. INB010639233 & INB230639237

NEW NOS. INB011333334 (CASH) & INB231333338 (CASH)

(PAN No. AAACU0622M)

IN THE MATTER OF M/s. DSQ BIOTECH LIMITED

-
1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted investigations in the scrip of DSQ Biotech Limited (hereinafter referred to as 'DSQ'). Pursuant to such investigation, enquiry proceedings were initiated against M/s. UTI Securities Limited (now, Standard Chartered – STCI Capital Markets Limited) (hereinafter referred to as the 'applicant').
 2. The Enquiry Officer (hereinafter referred to as 'EO') has found that the applicant/broker has failed to exercise due skill, care and diligence in the conduct of its business. The EO also found that casual attitude and conduct of the applicant enabled the client to offload unpaid shares which resulted in creation of artificial volumes in the scrip of DSQ. Further, the EO has recommended suspension of the certificate of registration of the applicant for a period of one month for the alleged violation of clauses A (2) and A (5) of the Code of Conduct prescribed under Schedule II read with regulation 7 of SEBI (Stock Brokers and Sub - Brokers) Regulations, 1992 and the guidelines of SEBI issued vide letter number SMD - 1/23341 dated November 18, 1993. A show cause notice no.

IVD/ID3/PKB/AA/DSQBL/77986/2006 dated September 29, 2006 was issued to the applicant under regulation 13 (2) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 to show cause as to why an appropriate penalty including penalty as recommended by the EO should not be imposed upon the applicant.

3. While the enquiry proceedings were in progress, the applicant filed an application dated December 09, 2009 along with an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007 for settlement of the proceedings through Consent Order. The applicant vide its letter dated July 02, 2010 proposed revised consent terms for the proceedings mentioned above. The High Powered Advisory Committee (HPAC) constituted by SEBI, considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs.47,00,000/- (Rupees Forty Seven Lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated June 23, 2010.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.47,00,000/- (Rupees Forty Seven Lakh only), vide demand draft No. 011038 dated July 02, 2010, drawn on Standard Chartered Bank towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that this consent order disposes of the aforesaid proceedings initiated against the applicant in the matter of DSQ.
6. This order is without prejudice to the rights of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the applicant, if:
 - a. any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.

7. This consent order is passed on the 19th day of July 2010 and shall come into force with immediate effect.

s/d

Dr. K.M. ABRAHAM
WHOLE TIME MEMBER

s/d

PRASHANT SARAN
WHOLE TIME MEMBER