

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

On the Application submitted by
M/s. Abhipra Capital Ltd.
(PAN: AABCA1702F)

CO/MIRSD-NRO/1175-2008/AO/SRP/DL /194 /2011

1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against M/s. Abhipra Capital Ltd. – SEBI Registration No. – INR – 00003829 (hereinafter referred to as ‘**Noticee**’) to inquire into and adjudge under section 15 F and 15 HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘**SEBI Act**’), the alleged violations of the provisions of the SEBI Act, SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (hereinafter referred to as “**RTI & STA Regulations**”) by the Noticee as observed during the inspection conducted by SEBI.
2. The inspection, prima facie, revealed that the Noticee was allegedly maintaining records at the places other than those intimated to SEBI. It allegedly failed to submit accurate information regarding its clients, maintain and submit statement of capital adequacy, maintain/enter into agreements with issuer companies, act in professional manner while dealing with the clients, maintain proper date wise records of the securities, exercise due diligence, issue acknowledgement to the investors, maintain movement register, maintain copy of the board resolution of some of the issuer companies, send reports of the pending transfers to the Board of Directors of its clients, retain copies of share certificates and transfer deeds in case of rejected transfers, maintain the dispatch records for transfer of securities to

the investor, process dematerialization requests within stipulated time, produce proper records to the inspecting authority, maintain interest/dividend registers, maintain the member register and transfer register in hard copy, maintain specimen signature card and transfer deeds, maintain the records of returned or undelivered mail for any of the companies, take steps for redressal of grievances of the investors within one month of receipt of the complaint, maintain complaint register, submit quarterly reports in respect of complaints, carry out daily reconciliation between the admitted, listed and issued capital, provide to the inspection team copies of its agreements with CDSL and NSDL and to ensure that the compliance officer has carried out duties effectively. It was also alleged that the Noticee provided wrong information regarding 'associates' to the inspecting authority.

3. Therefore, it was alleged that the Noticee has violated the following provisions of law:

- a) Regulations 9A (1) (b), 9A (1) (e), 13, 14(1)(a) (iii), 14(4), 14(5), 15A(2), and 18(1) of SEBI RTI / STA Regulations.
- b) Clauses 1, 2, 3, 5(b), 5(c), 18 and 20 of Code of Conduct specified under Schedule III of RTI / STA Regulations.
- c) Clauses 2(ii), 2(iii), 2(iv), 2(vi), 2(vii), 2(viii), 4, 4B (iii), 5(ii), 5(viii) and 5(x) of SEBI RRTI circular no. 1 (94-95) dated October 11, 1994.
- d) Clauses 1, 3 and 4 of SEBI circular no. D&CC/FITTC/Cir-17/2002 dated December 31, 2002.
- e) Provisions of SEBI-RRTI Circulars No. 1(2000-2001) dated May 9, 2001, SEBI-RRTI Circular No. 1(1996/97) dated February 05, 1997 and SEBI-RRTI Circular No. 3(1998-99) dated January 19, 1999.

4. Earlier, Shri V. S. Sundaresan was appointed as Adjudicating Officer (**AO**) under section 15I of the Securities and Exchange Board of India Act, 1992

(hereinafter referred to as '**SEBI Act**') to inquire into and adjudge under Sections 15F and 15HB of the SEBI Act , the aforesaid alleged violations. Consequently, Show Cause Notice No. EAD-5/VSS/JR/139879/2008 dated September 30, 2009 was issued by the AO to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "**the Rules**"). Consequent upon transfer of Shri V. S. Sundaresan, Smt. Jyoti Jindgar was appointed as Adjudicating Officer (**AO**) under section 15I of the SEBI Act. Thereafter, on proceeding of Smt. Jyoti Jindgar on deputation to Competition Commission of India, the undersigned has been appointed as AO vide order dated March 15, 2011.

5. While the adjudication proceedings were in progress, the Noticee made an application dated December 16, 2008 along with an affidavit of "undertakings and waivers" in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for settlement of the proceedings through Consent Order. Subsequently, the Noticee proposed revised consent terms vide letter dated December 02, 2010, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that they were willing to pay a sum of ₹ 8,00,000/- (Rupees eight lakh only) towards settlement charges in the matter.
6. The revised consent terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on January 19, 2011 and HPAC after deliberation recommended the case for settlement on the aforesaid revised consent terms proposed by the Noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI.
7. The acceptance of consent proposal was communicated to the Noticee by SEBI vide letter dated February 07, 2011. In pursuance of the aforesaid

consent terms, the Noticee has remitted a sum of ₹ 8,00, 000/- (Rupees eight lakh only), vide demand draft No. 410937 dated February 17, 2011 drawn on HDFC Bank Ltd., Mumbai, towards the terms of consent in the matter.

8. In view of above, it is hereby ordered that:

- i) this consent order disposes of the said proceedings pending against the Noticee under SEBI Act
- ii) passing of this order is without prejudice to the rights 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.

9. This consent order is passed on the 11th day of April 2011 and shall come into force with immediate effect.

SATYA RANJAN PRASAD
ADJUDICATING OFFICER