

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

FORTUNE FINANCIAL SERVICES LIMITED
[NOW FORTUNE EQUITY BROKERS (INDIA) LIMITED]

IN THE MATTER OF
MIRC ELECTRONICS LIMITED

(CONSENT APPLICATION NO. 1993/2010)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Mirc Electronics Limited during the period from January 31, 2001 to June 29, 2001. The investigation *prima facie* revealed that Fortune Financial Services Limited [Now Fortune Equity Brokers (India) Limited] (hereinafter referred to as the 'applicant'), a member (SEBI Regn. No. INB230653830) of the National Stock Exchange Limited, violated the provisions of SEBI (Stock Brokers & Sub-brokers) Regulations, 1992.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings against the applicant under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty), Regulations, 2002. The Enquiry Officer issued a show cause notice on July 1, 2004 to which a reply vide letter dated July 30, 2004 was sent by the applicant. The applicant was alleged to have created artificial volumes and also influenced price of the scrip by executing manipulative trades on behalf of its client.
3. While the above proceedings were in progress, the applicant vide letter dated October 20, 2009 proposed settlement of the aforesaid proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide his letter dated June 25, 2010. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall

pay ₹ 1,00,000/- (Rupees One Lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated August 25, 2010.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of ₹ 1,00,000/- (Rupees One Lakh only) towards settlement charges vide demand draft No.571250 dated August 30, 2010 drawn on Axis Bank Limited, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the above enquiry proceedings pending against the applicant in the matter of Mirc Electronics Limited.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
8. This consent order is passed on this day, the 6th of September, 2010 and shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER