

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order IVD-ID2/MIL/AO/ DRK/ASG /EAD-3/ CO-60/ 07-11**

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**CONSENT ORDER**  
(Application No. 2178 of 2010)

In the matter of  
**Jyotish Bhogilal Stock Brokers Pvt. Ltd.**  
Stock Broker, ASE  
SEBI Registration No. INB 020916831  
182, The Ahmedabad Stock Exchange Ltd.  
Kamdhenu Complex,  
Opp. Sahjanand College, Panjra Pole  
Ahmedabad- 380009

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1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), vide order dated February 10, 2004 initiated adjudication proceedings against Jyotish Bhogilal Stock Brokers Pvt. Ltd. (hereinafter referred to as ‘**the Noticee**’) in the scrip of Monalisa Infotech Ltd. (hereinafter referred to as ‘**MIL**’) to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘**SEBI Act**’) the violation of Regulations 26 (xvi) of the SEBI (Stock Brokers and Sub- Brokers) Regulations, 1992 (hereinafter referred to as ‘**Stock Brokers Regulations**’) alleged to have been committed by the noticee.
  2. It was alleged that two entities, namely Shri Sanjay R Shah and Shri Tushar Jhaveri and their related entities sold the shares of MIL through various stock brokers of Ahmedabad Stock Exchange Ltd. (hereinafter referred to as ‘**ASE**’) and Bombay Stock Exchange Ltd. (hereinafter referred to as ‘**BSE**’) and simultaneously purchased shares through other

stock brokers at ASE and BSE. These trades were circular in nature and appear to have been executed with an objective to create artificial market in the scrip at ASE and BSE. The noticee was one such stock broker.

3. In this regard Show Cause Notice no. EAD/ACR/51404/2005 dated October 07, 2005 (hereinafter referred to as '**SCN**') was served on the noticee. In the SCN it was alleged that the noticee had failed to exercise due skill, care and diligence in its dealings in the scrip of MIL during the period of September- October 2000 and that these actions amounted to a liability for monetary penalty under Regulation 26(xvi) of the Stock Brokers Regulations.
4. Pending adjudication proceedings, the Noticee submitted an Application for Consent dated December 13, 2010 and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee attended a meeting with the Internal Committee on Consent on June 09, 2011 and the revised consent terms were settled at an amount of ₹ 3,00,000/- (Rupees Three Lakhs Only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as "**HPAC**") on August 24, 2011 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and other material brought before the HPAC. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the Noticee which was approved by the competent authority.
5. In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the findings of fact or conclusions of law, the Noticee has remitted a sum of ₹ 3,00,000/- (Rupees Three Lakhs Only) favoring SEBI vide Demand Draft No. 495092 dated October 11, 2011 drawn on HDFC Bank Ltd. towards the terms of consent in the matter.
6. In view of the above, it is hereby ordered that:

- i. this consent order disposes of the said adjudication proceedings initiated against the Noticee mentioned in para 1 and 2 , and
  - ii. 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.
7. This consent order is passed on the **19<sup>th</sup> day of October, 2011** and shall come into force with immediate effect.
8. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Jyotish Bhogilal Stock Brokers Pvt. Ltd. and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**  
**Date: 19.10.2011**

**D. RAVI KUMAR**  
**CHIEF GENERAL MANAGER &**  
**ADJUDICATING OFFICER**