

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
MUMBAI**

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
SHRI SANJAY SANGHVI
(PAN. AAIPS3640Q)**

(CONSENT APPLICATION NO. 2360/2011)

1. Securities and Exchange Board of India (SEBI) conducted investigation into the alleged front running activities that had taken place in the trading of a number of scrips in which HDFC Asset Management Company (AMC) had traded. On the basis of the preliminary findings of the investigation, SEBI had prohibited some persons / entities from buying, selling or dealing in securities directly or indirectly till further orders vide ad- interim order dated June 17, 2010.
2. After completion of the investigation, a Show Cause Notice (SCN) bearing no. IVD/ID6/BC/SC/RRSCPM/5159/11 dated February 11, 2011 was issued to the applicant alleging that the applicant had violated provisions of Regulations 3 (a) to (d) and 4 (1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations) and calling upon him to show cause as to why suitable directions under Sections 11, 11(4) & 11B read with Regulations 3 (a) to (d) and 4 (1) of PFUTP Regulations including passing of directions restraining the applicant from accessing the securities market and/or prohibiting the applicant from buying, selling or dealing

in the securities in any manner, whatsoever should not be issued against the applicant.

3. While the proceedings commenced with the issuing of SCN were in progress, the applicant, vide application dated 13.07.2011 proposed settlement through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007, and thereafter proposed revised terms of settlement vide letter dated 08.09.2011, whereby the applicant undertook to pay ₹ 15,00,000/- (Rupees Fifteen Lac only) and undergo voluntary debarment for a period of 36 months from buying, selling or dealing in the securities either directly or indirectly. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) constituted by SEBI, which after deliberations, recommended that the aforesaid pending proceedings against the applicant may be settled on the terms as proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated 24.02.2012.
4. For the sole purpose of settling the matter on hand and without admission or denial of guilt, the applicant forwarded Demand Draft bearing no. 019017 dated 09.03.2012 in favour of SEBI for a sum of ₹ 15,00,000/- (Rupees Fifteen Lac only) drawn on ICICI Bank, Dadar. The applicant has also undertaken to undergo voluntary debarment for a period of 36 months.
5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings initiated against Sanjay Sanghvi (PAN. AAIPS3640Q) vide show cause notice no. IVD/ID6/BC/SC/RRSCPM/5159/11 dated February 11, 2011 as mentioned in paragraph 2 above. It is clarified that the settlement in this order shall extend only to the charges leveled against the applicant in the said SCN. The applicant shall also remain debarred from buying, selling or dealing in

securities and accessing securities market, directly or indirectly for a period of 36 months from the date of this order.

6. A copy of this order shall be served on the Exchanges and Depositories for information and implementation of the terms of voluntary debarment mentioned in para 5.
7. This order is without prejudice to the right of the Board to initiate enforcement actions, including commencing or reopening of the proceedings pending against the 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 3rd of September 2012 and shall come into force with immediate effect.

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER