

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
CAPITAL STOCKS & SHARES**

**IN THE MATTER OF
GEOJIT SECURITIES LIMITED**

(CONSENT APPLICATION NO. 1394/2009)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in the trading of Geojit Securities Limited (hereinafter referred to as the 'company') for the period August 1999 to December 1999. The investigation, *prima facie*, revealed that Capital Stocks & Shares (hereinafter referred to as the 'applicant') had acted as an unregistered sub-broker. Therefore, it was alleged that the applicant violated rule 3 of the SEBI (Stock brokers and Sub-brokers) Rules, 1992 read with the section 12 of the SEBI Act, 1992.
2. Pursuant to the investigations, SEBI initiated proceedings under section 11B of the SEBI Act, 1992. Thereafter, SEBI issued a show cause notice dated March 13, 2009. The applicant replied to the show cause notice vide its letter dated April 21, 2009.
3. While the above proceedings were in progress, the applicant, vide letter dated June 17, 2009, proposed settlement of the above proceedings through a consent order in terms of SEBI Circular No.EFD/ED/Cir.-01/2007 dated April 20, 2007. It proposed revised consent terms vide letter dated June 30, 2009. 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 Rs. 1,10,000 (rupees one lakh ten thousand only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 07, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 1,10,000 (rupees one lakh ten thousand only) towards settlement charges vide demand draft No.010161 dated October 06, 2009 drawn on HDFC Bank payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings under section 11B of the SEBI Act, 1992 against the applicant in the matter of Geojit Securities 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 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.
7. This consent order is passed on this day, the 10th of November, 2009 and shall come into force with immediate effect.

Sd/-
M. S. Sahoo
Whole Time Member

Sd/-
K. M. Abraham
Whole Time Member