

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

**CONSENT ORDER
On The Application Submitted by**

**M/s. SBI Capital Markets Ltd.
(Merchant Banker, SEBI Registration No. INM000003531)
(PAN:- AAACS7914E)**

**In the matter of
M/s. SBI Capital Markets Ltd.**

CO/MIRSD-3/2267-2011/AO/PKK/01/2012

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated adjudication proceedings against M/s SBI Capital Markets Limited (hereinafter referred as 'Noticee') and appointed the undersigned to adjudge under Section 15HB of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') the alleged violations of Clauses 3, 4 and 6 of Code of Conduct prescribed under Regulation 13 of SEBI (Merchant Bankers) Regulations 1992, Regulation 20(9) of SEBI (Acquisition of Shares and Takeovers) Regulations 1997 and Clauses 5.4.3.1, 7.3.1, 7.4.1, 7.7.1, 11.2(xxiii), 11.3.6, 16.2.2.2 of SEBI (DIP) Guidelines, 2000 in the matter of M/s SBI Capital Markets Limited, by the Noticee. Accordingly a Show cause Notice dated March 31, 2010 was issued under Rule 4 of the SEBI (Procedure for Holding Enquiry and Imposing Penalties by the Adjudicating Officer) Rules, 1995 (Adjudication Rules) to the Noticee for the alleged violations of the abovementioned provisions of law.

2. Further, pending the adjudication proceedings, the Noticee had filed the application for consent proceedings vide the Consent Application dated March 14, 2011 and an affidavit of "Undertakings and Waivers" in the aforesaid matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee vide letter dated July 06, 2011 proposed revised consent terms whereby it proposed to pay Rs. 20,00,000/- (Rupees Twenty Lakhs only) towards settlement charges of the above said adjudication proceedings. The terms as proposed by Noticee were placed before the High Powered Advisory Committee (HPAC) meeting held on October 17, 2011 and after considering the facts and circumstances of the case, the HPAC recommended that the case may be settled on payment of Rs. 20,00,000/- (Rupees Twenty Lakhs only) towards settlement charges as proposed by the Noticee. The same has also been approved by the panel of Whole Time Members of SEBI.
3. In terms of Noticee's proposal 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 finding of fact or conclusion of law, Noticee has remitted a sum of Rs. 20,00,000/- (Rupees Twenty Lakhs only), vide Demand Draft No. 0461817 dated March 07, 2012 drawn on State Bank of India, Mumbai towards the settlement charges in the aforesaid matter.
4. In view of the above, it is hereby ordered that:
 - (a) this consent order disposes of the said adjudication proceedings pending against the Noticee viz. M/s SBI Capital Markets Limited under the SEBI Act and

(b) 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

- I. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
- II. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

5. This consent order is passed on the 16th day of March, 2012 and shall come into force with immediate effect.

PLACE: MUMBAI

**P.K. KURIACHEN
ADJUDICATING OFFICER**