

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. JM/AO/DRK/AS/EAD-3/CO-22/2009

CONSENT ORDER

(Consent Application No.1258/2009)

In the matter of

JM Financial Consultants Pvt. Ltd.

Merchant Banker- SEBI Reg. No.-INM000010361

(formerly known as JM Morgan Stanley Pvt. Ltd.)

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), vide order dated October 13, 2006 initiated adjudication proceedings against JM Financial Consultants Pvt. Ltd.(formerly known as JM Morgan Stanley Pvt. Ltd.) (hereinafter referred to as the '**Noticee**') to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the '**SEBI Act**'), the violation of the Regulation 13 of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, and clauses 5.1, 5.3.3.1, 11.3.5(v)(a) (prior to amendment) of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, alleged to have been committed by the noticee as observed in the inspection conducted by SEBI for the period April 2003 to August 2005.
2. I was appointed as the Adjudicating Officer in the present case (subsequent to the transfer of Shri Biju S.) vide order dated December 10, 2008, under section 15 I of the SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

3. Pending adjudication proceedings, the Noticee made an application dated March 23, 2009 (Consent application Regn. No. 1258 of 2009) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee submitted its revised consent terms vide its letter dated June 12, 2009 wherein it proposed an amount of Rs. 4,00,000/- (Rupees Four Lakhs only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on July 02, 2009 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the Noticee.
4. In terms of the revised 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 Rs.400,000/- (Rupees Four Lakhs only) favoring Securities and Exchange Board of India vide Demand Draft No. 385093 dated 13/08/2009 drawn on HDFC Bank Ltd, payable at Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee under SEBI Act, 1992, 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.

6. This consent order is passed on the 25th day of August, 2009 and shall come into force with immediate effect.
7. 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 JM Financial Consultants Pvt. Ltd. (Merchant Banker-SEBI Reg. No. INM000010361) and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
August 25, 2009

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER