

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

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
CD EQUIRESEARCH (PVT.) LTD.**

(SEBI Regn. Nos. INB 010781133, INB 230781137 and INB 030781139)

**IN THE MATTER OF
DESIGN AUTO SYSTEMS LTD.**

(CONSENT APPLICATION NO. 403/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the dealings in the shares of Design Auto Systems Ltd. ('Company') for the period August 2001 - January 2002. The investigations, *prima facie*, revealed that CD Equiresearch (Pvt.) Ltd. (hereinafter referred to as 'applicant'), a broker registered with the National Stock Exchange of India Ltd., the Bombay Stock Exchange Ltd. and the Calcutta Stock Exchange Association Ltd., had indulged in synchronized trades while executing the orders for its clients in the shares of the company.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant. It issued a post enquiry show cause notice dated October 13, 2005 alleging that the applicant had violated provisions of Regulation 3 and 4(b), (c) and (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 read with Code of Conduct as specified in Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. The applicant replied to the said show cause notice on November 21, 2005. It appeared for a personal hearing on February 07, 2006. SEBI subsequently issued a supplementary show cause notice on November 16, 2007.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated December 12, 2007, proposed settlement of the said proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.-01/2007 dated April 20, 2007. It subsequently revised the consent terms vide letter dated September 01, 2008.
4. High Powered Advisory Committee (HPAC) appointed by SEBI considered the consent terms proposed by the applicant and recommended the case for

settlement. Accordingly, the applicant shall pay Rs.5,00,000/- (Rupees five lakh only) towards settlement charges. SEBI accepted the recommendations of the HPAC and communicated the same to the applicant vide letter dated October 17, 2008.

5. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of the law, the applicant has remitted a sum of Rs.5,00,000/- (Rupees five lakh only) vide demand draft No. 578555 dated October 29, 2008 drawn on HDFC Bank Ltd., Mumbai.
6. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings resting with the show cause notice dated October 13, 2005 and supplementary show cause notice dated November 16, 2007, against the applicant in the matter of Design Auto Systems Ltd.
7. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing/reopening of the pending proceedings against the applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue;
 - b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during this consent proceeding.
8. A copy of this order shall be served on the National Stock Exchange of India Ltd., the Bombay Stock Exchange Ltd. and Calcutta Stock Exchange Association Ltd., of which the applicant is a broker.
9. This consent order is passed on this day, the 28th November, 2008 and shall come into force with immediate effect.

Sd/-
T. C. NAIR
WHOLE TIME MEMBER

Sd/-
M. S. SAHOO
WHOLE TIME MEMBER