

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**SETTLEMENT ORDER**  
(Application No. 2797 / 2014)

On the application submitted by

**Emkay Global Financial Services Ltd.**

**Settlement Order No. ID5/EGFSL/AO/SBM-AKS/EAD-3/CO-01/2015**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide communiqué dated 12.04.2013 initiated adjudication proceedings against Emkay Global Financial Services Ltd. (hereinafter referred to as '**noticee**') to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') the violation of Clause A (2) of Code of Conduct for Stock Brokers as specified under Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as '**Stock Broker Regulations**') alleged to have been committed by the noticee with respect to its dealing in the scrip of Aarey Drugs and Pharmaceuticals Ltd. (hereinafter referred to as '**ADPL**').
2. In this regard a Show Cause Notice no. A&E/EAD3/DRK-AKS/20949/2013 dated 19.08.2013 (hereinafter referred to as '**SCN**') was served on the noticee. In the SCN it was alleged that the noticee had executed synchronised trades in the scrip of ADPL on behalf of its clients Ms. Nita B Bhavsar, Shri Jipal Shah, Shri Dhavalkumar Soni and Shri C Shah Champaklal wherein noticee had acted as both stock broker and counter party stock broker. Some of the trades were executed from the same terminal also. Noticee's alleged failure to exercise due skill and care made the noticee liable for a monetary penalty under Section 15HB of the SEBI Act.

3. Pending adjudication proceedings, the noticee submitted a consent application dated 19.12.2013 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 20.04.2007 further amended vide Circular No. CIR/EFD/1/2012 dated May 25, 2012. The aforesaid Circulars were rescinded by SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**'). As per Regulation 24 (2) of Settlement Regulations, applications filed under aforesaid Circulars and pending with SEBI shall be deemed to have been filed in accordance with Settlement Regulations and shall be dealt in accordance with the provisions of Settlement Regulations.
4. Consequent to the transfer of Shri D Ravikumar, the Competent Authority has appointed the undersigned as Adjudicating Officer on 05.06.2015 to dispose of the current Settlement Proceedings.
5. Pursuant to the consent application dated 19.12.2013, the noticee's authorized representatives, Shri Rajesh Sharma, Chief Operating Officer along with M/s J. Sagar Associates, Advocates and Solicitors attended a meeting with the Internal Committee on Consent on 12.03.2014 and the revised settlement terms were settled at an amount of ` 11,00,800/- (Rupees Eleven Lakh Eight Hundred Only) towards settlement charges. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on 18.12.2014 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the noticee and other material brought before the Committee. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the noticee which was approved by the panel of Whole Time Members of SEBI on 05.03.2015.
6. In terms of the 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 ` 11,00,800/- (Rupees Eleven Lakh Eight Hundred Only) favoring SEBI vide Demand Draft No. 457277 dated 12.05.2015 drawn on HDFC Bank Ltd. towards the terms of settlement in the matter.

7. In view of the above, it is hereby ordered in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 that:
  - i. this settlement order disposes of the said adjudication proceedings initiated against the noticee as mentioned in pre paras 1 and 2 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 settlement proceedings are subsequently discovered to be untrue.
    - b. The noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
8. This settlement order is passed on the **Fifth day of June, 2015** and shall come into force with immediate effect.
9. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to Emkay Global Financial Services Ltd. having administrative office at Paragon Centre, C-06, Ground Floor, Pandurang Budhkar Marg, Century Mills, Worli, Mumbai- 400013 and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**  
**Date: 05.06.2015**

**SURESH B MENON**  
**ADJUDICATING OFFICER**