

BEFORE THE ADJUDICATING OFFICER
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
SETTLEMENT ORDER NO.RA/DPS/73/2017

SETTLEMENT ORDER

On the Application No. 3030 of 2015

Submitted by M/s Zen Securities Limited

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') has initiated adjudicating proceeding against M/s Zen Securities Limited (hereinafter referred to as the Applicant / Noticee) vide Order dated October 25, 2013 under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and under Section 23H of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as '**SCRA**').
2. Shri D. Ravi Kumar was appointed as Adjudicating Officer (AO) vide order dated October 25, 2013. Subsequently, vide order dated December 09, 2014, the undersigned has been appointed as Adjudicating Officer in the matter.
3. In this regard, Show Cause Notice dated August 14, 2015 was issued to the Noticee, wherein it was alleged that the Noticee is in violations of Clauses A(2), A(5) of the code of conduct of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as '**Stock Brokers Regulations**') and SEBI Circular No. MIRSD/ SE/ Cir-19/2009 dated December 3, 2009.
4. While the adjudication proceedings were in progress the Noticee submitted Application for Settlement of the proceedings, in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**').

5. Thereafter, the Noticee had a meeting with the Internal Committee (IC) of SEBI on June 16, 2016, and proposed settlement terms.
6. The settlement terms as proposed by the Noticee were considered by the Internal Committee and placed before the High Powered Advisory Committee (HPAC) on February 27, 2017. The HPAC recommended that the matter may be settled if the applicant complies with the following:-
 - a) The applicant submits an undertaking that there was no failure on its part in settlement of the funds and securities subsequent to the default period of June 2011 to December 2012.
 - b) The applicant pays an amount of ₹47,60,000/- (Rupees Forty Seven Lakh and Sixty Thousand Only) towards the settlement terms as proposed by the Applicant.
 - c) The applicant settles the rest 2% of the clients' funds and submit the evidence thereof or it opens an escrow account and deposit the said 2% of the funds therein (in case the clients could not be reached by the applicant).
7. The recommendation of HPAC were approved by a panel of the Whole Time Members of SEBI on March 20, 2017 and the same was communicated to the noticee vide e-mail dated April 19, 2017. The applicant vide its letter dated April 26, 2017 submitted the undertaking, demand draft bearing No. 506566 dated April 25, 2017, drawn on ICICI Bank for ₹ 47,60,000/- (Rupees Forty Seven Lakh and Sixty Thousand Only), status of settlement of funds and evidences thereof in Compact Disc. As the applicant in its letter had claimed that it had settled the remaining 2% of the clients' fund, the applicant was asked to submit a Chartered Accountant Certificate, in this regard. The applicant vide its letter dated May 13, 2017 has submitted a certificate from Peer Review Chartered Accountant.

8. Now, therefore, in view of the acceptance of the settlement terms as proposed by the Noticee and receipt of Demand Draft as above by SEBI, the pending adjudication proceedings initiated against the Noticee vide the SCN dated August 14, 2015 is disposed of in terms of Regulation 15(1) of SEBI Settlement Regulations, 2014.
9. This order is without prejudice to the right of SEBI to initiate enforcement actions including commencing/ reopening of the pending proceedings against the applicant / noticee, if SEBI finds that:
- i. any representations made by the Applicant in the present settlement proceedings are subsequently discovered to be untrue.
 - ii. the Applicant has breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings.
10. This settlement order passed on this 22nd day of May, 2017 shall come into force with immediate effect.
11. In terms of Regulation 17 of Settlement Regulations, 2014 a copy of this order is being sent to the Applicant / Noticee and for publication on the website of SEBI.

Date: May 22, 2017

Place: Mumbai

RACHNA ANAND

ADJUDICATING OFFICER

