

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

CONSENT ORDER

On the Application submitted by
Emkay Global Financial Services Limited (PAN No. AAACE0995)
In the matter of Asian Star Company Limited

CO/ID-3 /AO/BM/121 /2011

1. The Securities and Exchange Board of India (SEBI) had initiated adjudication proceedings against Emkay Global Financial Services Limited (hereinafter referred to as '**Noticee**'), a SEBI Registered Broker, 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 alleged violation/contravention of the provisions of the SEBI (Stock Broker and Sub-broker) Regulations, 1992 (hereinafter referred to as '**Brokers Regulations**') by the Noticee.
2. It was alleged that Noticee allowed its clients to execute synchronized and structured trades and thus failed to exercise due diligence while trading on behalf of its clients. It is therefore, alleged that the Noticee violated Regulation 7 read with Clause A(1) and A(2) of Code of Conduct for Stock Brokers as specified in Schedule II of the Brokers Regulation.
3. The undersigned was appointed as Adjudicating Officer (**AO**) under section 15 I of the SEBI Act to inquire into and adjudge under Sections 15HB of the SEBI Act for the aforesaid alleged violations. Consequently, Show Cause Notice No. EAD-6/BM/VS/29347/2010 dated December 09, 2010 was issued to the Noticee under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**the Rules**').

4. While the adjudication proceedings were in progress, the Noticee made an application dated April 29, 2011 along with an affidavit of “undertakings and waivers” in terms of SEBI Circular No EFD/Cir-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid notice before SEBI. Subsequently, the Noticee vide its letter dated June 15, 2011 proposed consent terms of ₹ 5,00,000/- (Rupees Five Lakh only) towards settlement charges in respect of the aforesaid proceedings before SEBI.
5. The terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on July 21, 2011. The HPAC after deliberation recommended that the case may be settled on the aforesaid consent terms proposed by the Noticee. The recommendations of HPAC were subsequently placed before the panel of Whole Time Members of SEBI. Thereafter, SEBI vide letter dated August 23, 2011 conveyed the recommendations of the HPAC to the applicant and advised the applicant to pay in accordance with consent terms.
6. In terms of the proposal of the Noticee, for the sole purpose of settling the matter on hand, without admitting or denying the guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of ₹ 5,00,000/- (Rupees Five Lakh only) vide demand draft No. 718885 dated August 30, 2011 drawn on HDFC Bank, Fort, Mumbai, towards the terms of consent in the matter
7. In view of above, it is hereby ordered that:
 - i) this consent order disposes of the said proceedings pending against the Noticee under SEBI Act
 - ii) passing of this order is without prejudice to the rights of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the Noticee, if SEBI finds that:
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.

b. the Noticee has breached any of the clauses/ conditions of undertakings/waivers filed during the current consent proceedings.

8. This consent order is passed on September 7, 2011.

Adjudicating Officer

Place: Mumbai

Barnali Mukherjee