

**THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**CONSENT ORDER**  
**ON THE APPLICATION SUBMITTED BY**  
**M/s SMIFS SECURITIES LIMITED (“APPLICANT”)**  
**(NOW KNOWN AS STEWART & MACKERTICH WEALTH**  
**MANAGEMENT LIMITED)**  
**IN THE MATTER OF DSQ SOFTWARE LIMITED**  
**(CONSENT APPLICATION NO. 123/2007)**

1. Securities and Exchange Board of India (hereinafter referred to as SEBI) had conducted investigations into the trading in the scrip of M/s. DSQ Software Limited during the period from October 1, 1999 to March 31, 2001. The investigation *prima facie* revealed that M/s SMIFS Securities Limited (now known as ‘Stewart & Mackertich Wealth Management Limited’ and hereinafter referred to as applicant), had executed 47 synchronized transactions on behalf of Promoter associated entities of DSQ Software Ltd. Therefore, it was alleged that the applicant created artificial volume in the scrip thereby violating the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2005, SEBI (Stock Brokers & Sub-brokers) Regulations, 1992 and the provisions of SEBI SMD circular no SMDRP/POLICY/Cir-32/99 dated September 14, 1999.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings vide show cause notice no. ISD/BR/AM/DSQ(S)/76606/2006 dated September 13, 2006 issued under regulation 13(2) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. The reply to the show cause notice was received on December 11, 2006. The opportunities of personal hearing were granted to the applicant on July 24, 2007 and April 28, 2009.
3. While the above proceedings were in progress, the applicant vide letter dated September 4, 2007 proposed settlement of the said proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Since the consent proposal proposed by the applicant was not acceptable, SEBI rejected the proposal vide letter dated 12.3.09. The applicant proposed revised consent terms

vide letter dated October 12, 2010. High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and, after taking into account the facts and circumstances of the case, recommended the case for settlement thorough consent order on payment of ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh Only) towards settlement charges, as proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated June 22, 2011.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of ₹ 2,50,00,000/- (Rupees Two Crore Fifty Lakh Only) towards settlement charges vide Demand Draft No. 006192 dated July 04, 2011 drawn on HDFC Bank, payable at Mumbai.
5. In view of the above consent terms, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending against the applicant in the matter of DSQ Software Limited.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
  - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
  - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
7. This consent order is passed on this 18<sup>th</sup> day of July, 2011 and shall come into force with immediate effect.

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**