

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**Mr. S. RAJESH**

**IN THE MATTER OF**

**ACTING AS UNREGISTERED PORTFOLIO MANAGER  
(CONSENT APPLICATION No. 551/2008)**

1. Securities and Exchange Board of India (SEBI) had received a complaint that Mr. S. Rajesh, (hereinafter referred to as 'applicant'), was undertaking activities as Portfolio Manager without obtaining a Certificate of Registration from SEBI. The investigations, *prima facie*, revealed that the applicant was undertaking the activities of a Portfolio Manager and issued newspaper advertisements in this regard with an assurance of minimum returns. It was, therefore, alleged that the applicant violated provisions of Section 12 of the SEBI Act, 1992 read with Regulation 3 of SEBI (Portfolio Manager) Regulations, 1993.
2. Pursuant to the said investigations, SEBI issued show cause notice dated November 27, 2007 for the alleged violation of Section 12 of the SEBI Act, 1992 read with Regulation 3 of SEBI (Portfolio Manager) Regulations, 1993. The applicant submitted a reply dated December 12, 2007 to the said show cause notice.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated February 27, 2008, 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. The consent terms were placed before the High Powered Advisory Committee which after noting that the applicant had returned the money to the complainant and that there were no complaints pending against him, recommended the case for settlement on payment of Rs.1,00,000/- (Rupees one lakh only) towards settlement charges. The said terms of

settlement were accepted by SEBI and communicated to the applicant vide letter dated August 18, 2008.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.1,00,000/- (Rupees one lakh only) vide demand draft No. 781847 dated August 30, 2008 drawn on ICICI Bank payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings arising out of show cause notice dated November 27, 2007 pending before SEBI against the applicant in the matter of acting as unregistered Portfolio Manager.
6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing / reopening of the proceedings pending 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 consent terms or undertakings filed in this consent proceeding.
7. This consent order is passed on this day, the 14<sup>th</sup> November, 2008 and shall come into force with immediate effect.

**T. C. Nair**  
**Whole Time Member**

**M. S. Sahoo**  
**Whole Time Member**