

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**JMP SECURITIES PRIVATE LIMITED  
(PAN No. AAACJ8850C)**

**IN THE MATTER OF**

**ENQUIRY PROCEEDINGS AGAINST JMP SECURITIES PRIVATE LIMITED**

**(CONSENT APPLICATION NO. 1579 OF 2009)**

1. Securities and Exchange Board of India (SEBI) had conducted an inspection of the books of accounts and other records of M/s JMP Securities Pvt Ltd (hereinafter referred to as "the applicant"), a trading member (INB011148237) of the Bombay Stock Exchange Limited for the period of April 01, 2000 to August 10, 2002. The inspection, prima facie, revealed irregularities, such as, dealing as an unregistered sub-broker, dealing with unregistered sub-brokers, misutilizing and non-segregation of client funds, not collecting adequate margin from clients, not mentioning PAN in various instances even though amount was greater than Rs. 10 lakh, failing to enter into separate agreements with jobbers, executing agreements not on stamp paper, failing to allot Unique Client Code to clients, delaying pay-in and pay-out of funds and securities, deficiencies in member-client agreements, such as, non-availability of letter from banker, proof of identity and execution dates, etc. The applicant was therefore alleged to have violated Section 12 of the SEBI Act, 1992 and various circulars issued by SEBI from time to time.

2. In view of the above findings, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, alleging violation of the provisions of the SEBI Act, 1992 and various SEBI Circulars. The Enquiry Officer submitted his report recommending one month suspension against the applicant. Thereafter, a show cause notice dated August 20, 2009 was issued to the applicant.
3. While further proceedings in the matter were in progress, the applicant, vide application dated October 06, 2009, requested for settlement of the proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.01 dated April 20, 2007. The applicant proposed revised terms of consent vide letter dated April 29, 2010. The High Powered Advisory Committee constituted by SEBI considered the terms proposed by the applicant and recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs. 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) as settlement charges. SEBI accepted the said terms of settlement and communicated to the applicant vide letter dated July 13, 2010.
4. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant, the applicant has remitted a sum of Rs. 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) vide demand draft No. 265266 dated July 14, 2010 drawn on Bank of India, Mumbai towards the settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant for the violations mentioned above.

6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing or reopening pending proceedings against the applicant, if:
  - i. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
  - ii. the applicant breaches any of the clauses/conditions of undertakings/ waivers filed during this consent proceeding.
7. A copy of the order shall be served on Bombay Stock Exchange Limited of which the applicant is a trading member.
8. This consent order is passed on the 28<sup>th</sup> day of July, 2010 and shall come into force with immediate effect.

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

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