

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/s. ASIT C MEHTA INVESTMENT INTERMEDIARIES LTD**

**IN THE MATTER OF  
ASIT C MEHTA INVESTMENT INTERMEDIARIES LTD**

**CO/MIRSD-DPS 2/1636/AO/SD/02/2008**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated adjudication proceedings against Asit C Mehta Investment Intermediaries Ltd (hereinafter referred to as 'noticee') to enquire into and adjudge under Section 15I of the SEBI Act, 1992 (hereinafter referred to as 'the said Act'), read with Section 15B of the said Act, their alleged violation of provisions viz., Regulation 17 (1) (n) read with Regulation 26 (xii) of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as the 'said Regulations'); Clause D (2) of the Code of Conduct for Stock Brokers contained in Schedule II read with Regulation 7 of the said Regulations and the SEBI Circular No. SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004 read with Regulation 26(xv) of the said Regulations, in the matter of having failed to enter into tripartite agreements with the sub-brokers and the clients trading through such sub-brokers before trading on behalf of their clients. Accordingly, a show cause notice bearing no. EAD/SD/115038/2008 dated January 24, 2008 was issued under Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 to the noticee, for the alleged violation of the abovementioned provisions of law by the noticee.
2. Pending the adjudication proceedings, the noticee made an application dated March 12, 2008 and an affidavit of "Undertakings and Waivers" in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20<sup>th</sup> April, 2007. Pursuant to the said application, the noticee vide letter dated May 29, 2008 had proposed to pay Rs. 1, 00,000/- (Rupees One Lakh only) towards consent terms in the present matter. The terms as proposed by the noticee were placed before the High Powered Advisory Committee (HPAC) meeting held on June 24, 2008 and after considering the facts and circumstances of the case, consent

terms offered by the notice and material put forth before the HPAC by SEBI, the HPAC recommended that the case may be settled on payment of Rs. 1, 00,000/- (Rupees One Lakh only), which has been approved by the Committee of Members vide RNI 823/2008 dated July 4, 2008.

3. In terms of the noticee's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the finding of fact or conclusion of law, the noticee has remitted a sum of Rs. 1,00,000/- (Rupees One Lakh only), vide Demand Draft no. 272195 dated July 24, 2008 drawn on HDFC Bank Limited, Mumbai, towards the terms of consent in the matter.
4. In view of the above, it is hereby ordered that:

- (a) this consent order disposes of the said adjudication proceedings pending against the noticee under the SEBI Act, 1992 in the matter of Asit C Mehta Investment Intermediaries Ltd, and
- (b) passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing/reopening of the pending proceedings against the noticee, if SEBI finds that
  - I. any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
  - II. the noticee has breached any of the clauses/conditions of undertakings/waivers filed during the current consent proceedings.

This consent order is passed on the 27<sup>th</sup> day of August, 2008 and shall come into force with immediate effect.

**SANDEEP DEORE**  
**ADJUDICATING OFFICER**