

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
KANKESHWARI SECURITIES PRIVATE LIMITED
(PAN NO. AABCK3807D)

IN THE MATTER OF
MALVICA ENGINEERING LIMITED
(CONSENT APPLICATION NO. 1783/2010)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Malvica Engineering Limited during the period from June 27, 2003 to November 6, 2003. The investigation *prima facie* revealed that Kankeshwari Securities Private Limited, (hereinafter referred to as the 'applicant'), a sub-broker (SEBI Regn. No. INS010753031) of the Bombay Stock Exchange Limited, has violated the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 2003 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
2. Pursuant to the investigation, SEBI initiated enquiry proceeding against the applicant under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty), Regulations, 2002 and also initiated separate adjudication proceeding against the applicant under Chapter VIA of the Securities and Exchange Board of India Act, 1992. The show cause notices (SCNs) in the above proceedings were issued to the applicant vide letters dated July 4, 2006 and March 21, 2007 respectively. The applicant was alleged to have created artificial volume and misleading appearance by executing circular trades and structured deals in the

trading of the scrip and thus failed to act with due skill, care and diligence in the conduct of his business. Further to the SCNs, an opportunity of personal hearing was granted on January 14, 2010.

3. While the above proceedings were in progress, the applicant vide letter dated January 14, 2010 proposed settlement of the aforesaid proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide his letter dated May 10, 2010. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.2,00,000/- (Rupees Two Lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated July 19, 2010.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 2,00,000/- (Rupees Two Lakh only) towards settlement charges vide demand draft No.077999 dated July 24, 2010 drawn on The Kapol Co-Operative Bank Limited, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings and adjudication proceedings, pending against the applicant in the matter of Malvica Engineering 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 day, the ...3rd... of August, 2010 and shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER