

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

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**SETTLEMENT ORDER**

On the Application No. **2773 of 2013**

filed by

**Ms. Laxmi Manoharlal Chaturvedi** (PAN No. AACPC3302M) and

**Mr. Manoharlal Chaturvedi** (Pan No. AACPC3301J)

**Settlement Order No: IVD/EAD-6/AO/AK/53-54/2015**

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1. Securities and Exchange Board of India (hereinafter referred to as **SEBI**) had initiated adjudication proceedings against Ms. Laxmi M Chaturvedi and Mr. Manoharlal Chaturvedi (collectively referred to as the '**Noticees**') to inquire into and adjudge under Section 15 HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), for the alleged violation/contravention of the provisions of Regulation 3, 4 (1), 2 (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations, 2003**'), Ms. Barnali Mukherjee was appointed as Adjudicating Officer vide Order dated June 28, 2013 under section 15 I of the SEBI Act. Consequent upon the transfer of Ms. Barnali Mukherjee, the undersigned has been appointed as the Adjudicating Officer vide order dated August 08, 2013.
2. A common Show Cause Notice dated July 22, 2013 was issued to the Noticees under rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 seeking their submission as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticees.
3. The Noticees vide letter dated October 30, 2013 sought to avail consent process in the instant matter. The consent application of the Noticees, proposing to settle the alleged

violation/contravention of the provisions of PFUTP Regulations, 2003, through consent order in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 was received by SEBI on November 28, 2013.

4. The Noticees/Applicants had a meeting with the Internal Committee of SEBI where the terms of settlement was deliberated upon. Thereafter vide letter dated April 15, 2014, the Noticees viz. Mr. Manoharlal Chaturvedi and Ms. Laxmi M Chaturvedi proposed the revised consent terms to settle the aforesaid adjudication proceedings for violations/contravention Regulations 3, 4 (1), 2 (e) of PFUTP Regulations, 2003 by offering to pay a sum of Rs. 17,87,517/- (Rupees Seventeen Lakh Eighty Seven Thousand Five Hundred and Seventeen only) towards disgorgement of the ill-gotten gains for Ms. Laxmi M Chaturvedi and Rs. 2,00,000/- (Rupees Two Lakh only) for Mr. Manoharlal Chaturvedi towards settlement charges.
5. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') considered the settlement terms proposed by the Noticees and recommended the case for settlement upon payment of Rs. 17,87,517/- (Rupees Seventeen Lakh Eighty Seven Thousand Five Hundred and Seventeen only) for the Noticee Ms. Laxmi M Chaturvedi and Rs. 2,00,000/- (Rupees Two Lakh only) for the Noticee Mr. Manoharlal Chaturvedi towards settlement charges. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC and the same was communicated to the Noticees.
6. Accordingly, the Noticees have vide demand draft No. '448495' dated May 09, 2015 and demand draft No. '451545' dated May 13, 2015 drawn on 'HDFC Bank' and payable at Mumbai, remitted a sum of Rs. 2,00,000/- (Rupees Two Lakh only) for Mr. Manoharlal Chaturvedi and Rs. 17,87,517/- (Rupees Seventeen Lakh Eighty Seven Thousand Five Hundred and Seventeen only) for Ms. Laxmi M Chaturvedi towards settlement charges.

7. In view of the above, in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:
- i. this Consent Order disposes of the said Adjudication Proceedings pending in respect of the Applicants as mentioned above and;
  - ii. 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 Applicants, if SEBI finds that:
    - a. any representations made by the Applicants in the consent proceedings are subsequently discovered to be untrue;
    - b. the Applicants have breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
8. This consent order is passed on this **Twenty-sixth day of May, 2015** and shall come into force with immediate effect.
9. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticees and also to Securities and Exchange Board of India, Mumbai.

**Anita Kenkare**

**Adjudicating Officer**

**Place: Mumbai**