

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

CO/IVD/1604/AO/DSR/29/2008

Under section 15-I of Securities and Exchange Board of India Act, 1992
read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing
Penalties by Adjudicating Officer) Rules, 1995

Against

M/s DSP Merrill Lynch Limited

1. SEBI, vide order dated October 4, 2007 initiated adjudication proceedings against M/s DSP Merrill Lynch Limited (hereinafter referred to as "Noticee") for the alleged non-compliance with the provisions of Regulations 4(1), 4(2) (a) and (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice Relating to Securities Markets) Regulations, 2003 and Regulation 7 read with Clauses A (1), (2), (3), (4) and (5) of Code of Conduct specified under Schedule II of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 in the matter of executing synchronized/structured trades in the scrip of M/s Bharti Healthcare Limited (hereinafter referred to as "Company"). A show cause notice dated January 18, 2008 was issued to the Noticee.
2. Pending the adjudication proceedings, the Noticee made an application dated April 01, 2008 and an affidavit in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Pursuant to the said application, the Noticee vide letter dated August 20, 2008 proposed revised consent terms submitting that they were willing to pay a consolidated amount of Rs. 30,00,000/- (Rupees Thirty Lakhs only) towards consent terms. The revised consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") and HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the Noticee. The same was approved by Committee of Whole Time Members of SEBI on October 6, 2008.

3. In terms of the proposal of the Noticee 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. 30,00,000/- (Rupees Thirty Lakhs only) favouring SEBI vide Demand Draft No. 462206 dated October 15, 2008 drawn on Citibank, payable at Mumbai, towards the terms of consent in the matter.
4. In view of the above, it is hereby ordered that:
 - i) this consent order disposes of the said adjudication proceedings pending against the Noticee under SEBI Act, 1992 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 Noticee, if SEBI finds that:
 - a. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. 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 18th day of November, 2008 and shall come into force with immediate effect.

In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

D.S. REDDY
Adjudicating Officer

Place : Mumbai