

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

CONSENT ORDER

On the Application Submitted by

Indiabulls Securities Limited

**[Member Broker, BSE, SEBI Registration No. INB010875632]
[PAN: AAACO0870B]**

In the matter of

Mega Corporation Limited

CO/IVD-ID1/1641-2009/AO/PKK/04/2011

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated adjudication proceedings against M/s. Indiabulls Securities Limited (hereinafter referred to as the 'Noticee') to adjudge under Sections 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the 'SEBI Act') the alleged violation of Regulations 4 (1) and 4 (2) (a), (b), (e), (g), & (n) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Clauses A (1), (2), (3), (4) & (5) of the Code of Conduct for Stock Brokers as specified in Schedule II under Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 in the matter of M/s. Mega Corporation Limited and Clause A (2) of the Code of Conduct for Stock Brokers as specified in Schedule II under Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 in the matter of M/s. Karuna Cables Limited respectively, by the Noticee. Accordingly, a show cause notice bearing No. EAD-2/SD/PM/130141/2008 dated June 27, 2008 was issued under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the 'Adjudication Rules') to the Noticee for the

alleged violation of the abovementioned provisions of law in the said matters.

2. The adjudication proceedings against the Noticee in the matter of M/s. Karuna Cables Limited were disposed of vide Adjudication Order No. SD/AO/88/2010 dated July 29, 2010.
3. Pending the adjudication proceedings in the matter of M/s. Mega Corporation Limited, the Noticee filed a consent application (No. 1641 of 2009) received by SEBI on November 18, 2009, along with an affidavit of 'Undertakings and Waivers' in the prescribed format in the said matter in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee vide letter dated June 03, 2011 proposed revised consent terms whereby it proposed to pay ₹30,00,000/- (Rupees Thirty Lakh Only) towards settlement terms in the said matter. The terms as proposed by the Noticee were placed before the High Powered Advisory Committee (HPAC) meeting held on July 21, 2011 and after considering the facts and circumstances of the case and the material brought before the HPAC by SEBI, the HPAC recommended that the said adjudication proceedings may be settled on payment of ₹30,00,000/- (Rupees Thirty Lakh Only) by the Noticee towards settlement charges, as proposed by the Noticee. The same was placed before and approved by the Chairman and the Whole Time Member vide Office Note dated August 12, 2011. The acceptance by SEBI of the said recommendations was communicated to the Noticee vide letter dated August 25, 2011.
4. In terms of the Noticee's proposal for the sole purpose of settling the matter on hand and without admission or denial of charges, the Noticee has remitted a sum of ₹30,00,000/- (Rupees Thirty Lakh Only) vide

Demand Draft No. 034686 dated September 07, 2011 drawn on HDFC Bank Ltd., Mumbai towards the terms of consent in the matter.

5. In view of the above, it is hereby ordered that:

I. this consent order disposes of the said adjudication proceedings in the matter of M/s. Mega Corporation Limited pending against the Noticee under the SEBI Act, 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.

6. This consent order is passed on the 22nd day of September, 2011 and shall come into force with immediate effect.

PLACE: MUMBAI

**P K KURIACHEN
ADJUDICATING OFFICER**