

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

**SETTLEMENT ORDER**  
(Application No. 3178/ 2016)

On the application submitted by  
**Arcadia Share & Stock Brokers Private Limited**

**Settlement Order No: CO/SBM/EAD-3/04/2017**

---

1. The Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**'), in Appeal Nos 367 of 2014 and 384 of 2014, vide Order dated February 27, 2015, while setting aside the adjudication order dated August 27, 2014, remanded the case to the Adjudicating Officer to be adjudicated afresh by issuing show cause notices to the two appellants viz. Arcadia Share & Stock Brokers Private Limited (hereinafter referred to as "**Noticee/ Applicant**") and Shri Vasantlal Mohanlal Vora and in accordance with their alleged violation of the relevant provisions of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') and SEBI (Stock Broker and Sub Broker ) Regulations, 1992 (hereinafter referred to as '**Broker Regulations**') in the matter of their dealings/activities in the shares of Veritas India Ltd (hereinafter referred to as '**VIL/Company**') covering the period from January 1, 2009 to March 31, 2012 (hereinafter referred to as '**Relevant period**').
2. Subsequently, Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide communiqué dated March 27, 2015 initiated adjudication proceedings against the Applicant and appointed Shri D. Ravikumar as the Adjudicating Officer (hereinafter referred to as "**AO**") to inquire into and adjudge under Section 15HA and Section 15HB of the SEBI Act, the violation

of the provisions of Regulations 3(a),(b),(c),(d), 4(1), (4(2)(a) and 4(2)(e) of the PFUTP Regulations and Clauses A(1), A(3), A(4) and A(5) of the Code of Conduct as specified in Schedule II under Regulation 7 of the Broker Regulations, alleged to have been committed by the applicant, in respect of its dealing/activities in the shares of VIL during the Relevant Period. Pursuant to the transfer of Shri D. Ravikumar, I was appointed as the Adjudicating Officer in the matter vide communiqué dated June 22, 2015.

3. In this regard, a common Show Cause Notice ref. A&E/EAD-3/SBM-ASR/27502/1/2016 dated September 30, 2016 (hereinafter referred to as '**SCN**') was issued to the Applicant and Shri Vasantlal Mohanlal Vora. It was alleged in the SCN that the Applicant had aided Shri Vora in executing 2 self trades of 6 shares of VIL by acting as a broker and counterparty broker for such self trades of Shri Vora during the relevant period. Therefore, it was alleged in the SCN that the Applicant has violated certain provisions of the PFUTP regulations and Broker Regulations, as mentioned above.
4. It was alleged in the SCN that Shri Vora had indulged in manipulative trades by executing 375 trades, involving 1206 shares in the scrip of VIL and contributed to increase/decrease in LTP and also played crucial role in establishing new high/low in the scrip of VIL during the relevant period. It was further alleged that Shri Vora executed two self trades for six shares in the scrip of VIL through the Applicant wherein it acted as a broker and counter-party broker for such manipulative self trades done by Shri Vora.
5. Pending Adjudication Proceedings, the applicant filed a Consent Application no. 3178/2016 dated October 18, 2016 along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as "**Settlement Regulations**").

6. Pursuant to the above mentioned Consent Application made by the applicant, the Authorized Representatives of the applicant, attended a meeting with the Internal Committee on Consent (hereinafter referred to as '**IC**') on June 01, 2017. During the aforesaid meeting, the settlement terms of Rs. 5,00,000/- (Rupees Five Lakh Only) as settlement amount and additional amount of Rs. 86,375/- (Rupees Eighty Six Thousand and Three Hundred Seventy Five Only) as legal expenses incurred by SEBI, were communicated to the authorised representatives of the applicant. The applicant vide its letters dated June 01, 2017 and June 05, 2017 proposed payment of Rs. 5,86,375/- (Rupees Five Lakh Eighty Six Thousand and Three Hundred Seventy Five Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the applicant.
7. The settlement terms were placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on July 05, 2017, and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the applicant and other material brought before the Committee by SEBI. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of Rs. 5,00,000/- (Rupees Five Lakh Only) towards the settlement terms and Rs. 86,375/- (Rupees Eighty Six Thousand and Three Hundred Seventy Five Only) towards legal costs incurred by SEBI. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on August 16, 2017 and the same was communicated to the applicant vide email dated August 16, 2017.
8. The applicant vide its letter dated August 21, 2017 has remitted a sum of Rs. 5,00,000/- (Rupees Five Lakh Only) towards the settlement charges

through Demand Draft No. 499077 dated August 18, 2017 drawn on Axis Bank Ltd. Vide its aforesaid letter, Applicant has also remitted a sum of Rs. 86,375/- (Rupees Eighty Six Thousand and Three Hundred Seventy Five Only) towards legal costs incurred by SEBI through Demand Draft No. 499078 dated August 18, 2017 drawn on Axis Bank Ltd.

9. In view of the above, in terms of Regulation 15 (1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the applicant viz. Arcadia Share & Stock Brokers Private Limited vide SCN ref. A&E/EAD-3/SBM-ASR/27502/1/2016 dated September 30, 2016.
10. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicant, if :
  - a. any representations made by the applicant in the settlement proceedings is subsequently found to be untrue; or
  - b. the applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
11. This settlement order is passed on the **6th day of September, 2017** and shall come into force with immediate effect.
12. In terms of Regulation 17 of the Settlement Regulations, 2014, copies of this order are being sent to the applicant viz. Arcadia Share & Stock Brokers Private Limited and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date : September 06, 2017**

**SURESH B. MENON**  
**ADJUDICATING OFFICER**