

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

**CONSENT ORDER**

**ON THE APPLICATIONS SUBMITTED BY  
SMC GLOBAL SECURITIES LIMITED, MEMBER NSE (PAN: AAACS0581R)  
&  
SAM GLOBAL SECURITIES LIMITED, MEMBER BSE(PAN: AAFCS1401B)**

**IN THE MATTER OF COMPLAINT RECEIVED FROM ABOHAR  
INVESTOR FORUM  
(CONSENT APPLICATION NOS. 957 & 966 OF 2008)**

1. This consent order shall dispose of two pending adjudication proceedings initiated on similar charges against the captioned applicants.
2. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had received a complaint dated August 28, 2005 from Abohar Investors Forum, Abohar, Distt. Firozpur, Punjab, alleging misappropriation of funds of small investors by one Mr. Dheeraj Kumar Madaan (hereinafter referred to as 'DKM'). DKM was an associate of M/s Ganpati Finsec Private Ltd, who was a franchisee of SMC Global Securities Ltd, member NSE and SAM Global Securities, member BSE (SAM and SMC are hereinafter collectively referred to as the 'Applicants').
3. On investigations, the SEBI found that the Applicants had allegedly dealt with unregistered sub brokers, delayed in redressing investor complaints and failed to exercise due skill, care and diligence, thereby violating regulations 26(xv), 26(iv), 26(xix) and regulation 7 read with clause A(2) of schedule II of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, rule 4(c) of SEBI (Stock Brokers and Sub- Brokers) Rules, 1992 and various SEBI Circulars.

4. Accordingly, Adjudication proceedings were initiated against the Applicants and Shri Sandeep Deore was appointed as an Adjudicating Officer, who issued show cause notices, dated June 25, 2008 to the Applicants.
5. While the said proceedings were pending, the applicants vide their letters dated August 29, 2008 and September 05, 2008 respectively, submitted their applications for consent order proposing settlement of the said proceedings in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007 through a consent order. The applicants vide their letters dated February 26, 2009 and April 01, 2009 respectively, submitted their revised settlement terms. The High Powered Advisory Committee constituted by SEBI, in its meeting held on May 22, 2009 considered the settlement terms proposed by the applicants and recommended the case for settlement on payment of Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) collectively towards settlement charges, plus Rs. 25,000/- (Rupees Twenty Five Thousand Only) each, towards administrative charges, as offered by the Applicants.
6. In terms of the proposal of the Applicants, for the sole purpose of settling the matters on hand, without admitting or denying the guilt on the part of the Applicants to the finding of fact or conclusion of law, the Applicants have remitted a sum of Rs. 7,75,000/- (Rupees Seven Lakhs Fifty Thousand only) each, totaling to Rs. 15,00,000/- (Rupees Fifteen Lakhs only) vide Demand Draft Nos. 049584 and 049585 dated June 30, 2009, drawn on HDFC Bank, Mumbai (Fort) Branch, Mumbai towards settlement and administrative charges.
7. While the consent proceedings were pending, due to administrative reasons, vide order dated December 03, 2008, Ms. Jyoti Jindgar was appointed Adjudicating Officer. As Ms. Jyoti Jindgar has now proceeded on long leave, the undersigned has been appointed as Adjudicating officer vide order dated July 17, 2009 to dispose of the proceedings as per the consent terms.
8. In view of the above it is hereby ordered that this consent order disposes of the aforesaid adjudication proceedings pending against the noticees/applicants.

9. This order is without prejudice to the right of SEBI to take enforcement actions including commencing fresh/reopening of the pending proceedings against the applicants if:
- a. any representation made by the applicants in the consent proceedings are subsequently discovered to be untrue.
  - b. the applicants breach any of the clauses/ conditions of undertakings/ waivers filed in these consent proceedings.
10. This consent order is passed on July 31, 2009 and shall come into force with immediate effect.

**New Delhi**

**PRAVEEN TRIVEDI**  
**Adjudicating Officer**