

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

On the Application submitted by
M/s Kanak Shah Share and Stock Brokers
In the matter of Minal Engineering Ltd.

CO/ISD/1930/AO/VSS/61/2009

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the trading and dealings in the scrip of Minal Engineering Ltd. for the period from February to September, 2005. The investigation revealed that M/s Kanak Shah Share and Stock Brokers (hereinafter referred to as '**Noticee**') had dealt with an unregistered sub-broker viz. Bharat H. Bhavsar. Therefore, adjudication proceedings were initiated against the Noticee to inquire into and adjudge under section 15HB of Securities and Exchange Board of India Act, 1992 the alleged violation of the provisions of regulation 18B of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as '**Brokers Regulations**'). Consequently, a Show Cause Notice No. EAD-5/VSS/JR/124894/2008 dated May 7, 2008 was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 by the undersigned.
2. While the Adjudication Proceedings were in progress, the Noticee made an application dated August 1, 2008 and an affidavit of "undertakings and waivers" in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid notice before SEBI. The Noticee proposed consent terms, without admitting or denying the guilt and subject to clauses of the

undertakings and waivers, submitting that it was willing to pay a sum of Rs.25,000/- (Rupees Twenty Five Thousand only). Vide letter dated January 27, 2009 the Noticee proposed to pay Rs.25,000/- (Rupees Twenty Five Thousand only) towards settlement terms and Rs.10,000/- (Rupees Ten Thousand only) towards administrative expenses. The consent terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as 'HPAC') on February 25, 2009. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on payment of Rs.25,000/- towards settlement terms and Rs.10,000/- towards administrative expenses. The recommendations of HPAC were placed before the two Whole Time Members of the Board who have agreed to the terms of consent as recommended by HPAC.

3. The acceptance of consent proposal was communicated to the Noticee vide letter dated March 24, 2009. In pursuance of the aforesaid, the Noticee has remitted a sum of Rs.35,000/- (Rupees Thirty Five Thousand only) (i.e. Rs.25,000/- towards settlement terms and Rs.10,000/- towards administrative expenses) , vide Demand Drafts No.016872 dated March 30, 2009 drawn on Central Bank of India, Mumbai, towards the terms of consent in the matter.
4. In view of above, it is hereby ordered that,
 - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India 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 representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
- b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

5. This consent order is passed on the April 27, 2009 and shall come into force with immediate effect.

V S Sundaresan
Adjudicating Officer