

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/s. DBS CHOLAMANDALAM SECURITIES LIMITED**

**IN THE MATTER OF  
DBS CHOLAMANDALAM SECURITIES LIMITED**

**CO/MIRSD-DR-I/2152/AO/SD/22/2009**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated adjudication proceedings against M/s. DBS Cholamandalam Securities Limited (formerly Cholamandalam Securities Limited) (hereinafter referred to as 'noticee') to inquire into and adjudge under Section 15I read with Section 15HB of the SEBI Act, 1992 (hereinafter referred to as 'the said Act'), read with provisions of the SEBI (Stock brokers and Sub brokers) Regulations, 1992 (earlier Rule 4(c) of SEBI (Stock brokers and Sub brokers) Regulations, 1992, now repealed) (hereinafter referred to as the 'said Regulations'), their alleged violation of Regulation 6A(1)(c) of the said Regulations, in the matter of having failed to obtain prior approval from SEBI for change in control as per the said regulations.
2. In the course of adjudication proceedings, a Show Cause Notice bearing no. EAD/SD/115740/2008 dated January 31, 2008 was issued under Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 to the noticee, for the alleged violation of the abovementioned provisions of law by the noticee.
3. Further, pending the adjudication proceedings, the noticee has filed an application for consent dated December 17, 2008 and letter dated February 11, 2009 and an affidavit of "Undertakings and Waivers" in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20<sup>th</sup> April, 2007 by proposing to pay Rs. 25,000/- (Rupees Twenty Five Thousand only) towards settlement fees and Rs. 2,31,267/- (Rupees Two lakhs thirty one thousand two hundred sixty seven only) towards the shortfall of turnover fee payable from January 2006 till the date of actual registration in respect of membership with NSE and BSE, as

consent terms in the present matter. The terms as proposed by the noticee were placed before the High Powered Advisory Committee (HPAC) meeting held on March 12, 2009 and after considering the facts and circumstances of the case, consent terms offered by the noticee and material put forth before the HPAC by SEBI, the HPAC recommended that the case may be settled on payment of Rs.2, 31, 267/- (Rupees Two lakhs Thirty One Thousand Two Hundred Sixty Seven only) i.e., the shortfall of turnover fees plus interest at 15% p.a. w.e.f. from January 2006 (the month in which the change in control took place) till the date of making the payment, on the said amount along with Rs. 25,000/- (Rupees Twenty Five Thousand only) towards settlement charges, which has been approved by the Panel of Whole Time Members of SEBI on April 1, 2009.

4. In terms of the noticee's proposal 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. 25,000/- (Rupees Twenty Five Thousand only), vide demand draft bearing no. 017771 dated May 12, 2009 and another sum of Rs. 3,49,907/- (Rupees Three lakh Forty Nine Thousand Nine Hundred and Seven only), vide demand draft bearing no. 017770 dated May 12, 2009, both drawn on HDFC Bank Limited, Fort, Mumbai 400023, towards the terms of consent in the matter.

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

- (a) this consent order disposes of the said adjudication proceedings pending against the noticee under the SEBI Act, 1992 in the matter of DBS Cholamandalam Securities Ltd, and

- (b) 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

- I. any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
    - II. 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 21<sup>st</sup> day of May, 2009 and shall come into force with immediate effect.

**Place: Mumbai**  
**Dt. 21-05-2009**

**SANDEEP DEORE**  
**ADJUDICATING OFFICER**