

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

SETTLEMENT ORDER NO. EAD-5/BS/ 9 /2017-18

SETTLEMENT ORDER

On the Application No. 3099 of 2016

Submitted by
Maverick Share Brokers Pvt. Limited
(Formerly known as Maverick Share Brokers Limited)
(PAN: AAECM8942N)

1. Securities and Exchange Board of India (**SEBI**) initiated adjudication proceedings against Maverick Share Brokers Limited (*Now known as 'Maverick Share Brokers Pvt. Limited'*) (*hereinafter referred to as "**Applicant**"*) and vide order dated November 05, 2015, Shri S.V. Krishnamohan was appointed as Adjudicating Officer to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (*hereinafter referred to as "**SEBI Act**"*), the alleged violations of provisions of Clause A (2) of Code of Conduct for stock brokers as specified under Schedule II read with Regulation 9 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (*hereinafter referred to as "**Broker Regulations**"*) by the Applicant for the alleged failure to exercise due skill and care as a Stock Broker with respect to the alleged irregular trading by its client M/s Prefer Abasan Private Limited in the scrip of Indian Overseas Bank (**IOB**) on October 31, 2013 and November 28, 2013.
2. Accordingly, a Show Cause notice no. EAD-5/ADJ/SVKM/HKS/OW/2111/1/2016 dated January 28, 2016 ("**SCN**") was issued to the Applicant under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (*hereinafter referred to as "**Rules**"*)

alleging that the Applicant has failed to exercise due skill and care with respect to alleged irregular trading by its client M/s Prefer Abasan Private Limited for manipulating the closing price/volume/order book in the cash segment for making profits in the derivative segment and thereby violated provisions of Clause A (2) of Code of Conduct for Stock Brokers as specified under Schedule II of Regulation 9 of Broker Regulations.

3. While the adjudication proceedings pursuant to the said SCN were in progress, Applicant, had submitted an application with SEBI in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (*hereinafter referred to as the “**Settlement Regulations, 2014**”*) proposing to settle, through settlement order, the aforementioned adjudication proceedings for the alleged violations.
4. The settlement terms of ₹23,80,166/- (Rupees Twenty Three Lakhs Eighty Thousand One Hundred and Sixty Six only), as proposed by the Applicant, was placed before the High Powered Advisory Committee (hereinafter referred to as ‘**HPAC**’) on August 09, 2017. The HPAC, after considering the facts and circumstances of the matter, settlement terms proposed by the Applicant, recommended that the aforesaid adjudication proceedings may be settled on payment of ₹23,80,166/- (Rupees Twenty Three Lakhs Eighty Thousand One Hundred and Sixty Six only) towards settlement charges. The Panel of Whole Time Members of SEBI approved the said recommendations of the HPAC and the same was communicated to the Applicant vide email dated October 11, 2017.
5. Accordingly, the Applicant vide letter dated October 12, 2017 has remitted a sum of Rs.23,80,166/- (Rupees Twenty Three Lakhs Eighty Thousand One Hundred and Sixty Six only) towards settlement charges through Demand Draft no. 342006 dated October 12, 2017 drawn on HDFC Bank.

6. The undersigned has been appointed as Adjudication Officer in the present matter vide order dated September 15, 2017 in the place of Shri S.V. Krishnamohan.
7. In view of above, in terms of Regulation 15(1) of Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the Applicant namely Maverick Share Brokers Limited (now known as Maverick Share Brokers Private Limited) vide Show Cause notice no. EAD-5/ADJ/SVKM/HKS/OW /2111/1/2016 dated January 28, 2016.
8. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the Applicant, if :
 - i. any representation made by the Applicant in the settlement proceedings is subsequently found to be untrue; or
 - ii. the Applicant breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
9. In terms of Regulation 17 of Settlement Regulations, 2014, a copy of this order is being sent to the Applicant and for publication on the website of SEBI.

Date : October 25, 2017
Place : Mumbai

Biju. S
Adjudicating Officer