

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

SETTLEMENT ORDER NO. EAD-5/BS/ 30/2017-18

SETTLEMENT ORDER

On the Application No. 3333/2017

Submitted by
Arcadia Shares & Stock Brokers Pvt. Ltd.
(PAN: AAACA4562G)

1. Securities and Exchange Board of India (**SEBI**) initiated adjudication proceedings against Arcadia Share & Stock Brokers Pvt. Ltd. (*hereinafter referred to as “**Applicant**”*) and vide order dated January 25, 2016, Shri S.V. Krishnamohan was appointed as the 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 violation of Clause A(2) of the Code of Conduct prescribed for Stock Brokers as specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (*hereinafter referred to as **Stock Broker Regulations***) by the Applicant for the alleged failure to exercise due skill, care and diligence in its broking business by acting as broker and counterparty broker in execution of self-trades by its client in the scrip of Kwalitiy Ltd. during December 10, 2009 to January 08, 2010 (*hereinafter referred to as Investigation Period*).
2. Accordingly, a Show Cause notice no. EAD-5/ADJ/SVKM/DS/OW/7907/7/2016 dated March 15, 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, care and diligence in its broking business by acting as broker and counterparty broker in execution of self-trades by its client, and thus violated the provisions of Clause A(2) of the Code of Conduct prescribed for Stock Brokers as specified under Schedule II read with Regulation 7 of Stock 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.
1. The settlement terms as proposed by the Noticee were considered by the Internal Committee and placed before the High Powered Advisory Committee (HPAC) on October 09, 2017. The recommendation of HPAC were approved by a panel of the Whole Time Members of SEBI on December 05, 2017 and the same was communicated to the Noticee vide letter dated December 06, 2017. Since there was a delay in filing of the settlement application, the settlement amount payable by the Noticee was increased by a levy of the simple interest at the rate of @6% per annum till the date of filing of application.
4. Accordingly, Noticee vide letter dated December 19, 2017 submitted two Demand Drafts (**DD**) both drawn on Axis Bank Ltd. payable at Mumbai as under :-

Sr. No.	DD No. And Date	Towards	Amount in ₹
1.	518606 dated December 19, 2017	Settlement charges	5,00,000/-
2.	518619 dated December 22, 2017	Interest @6% per annum	65,507/-
		Total	5,65,507/-

(Rupees Five Lakhs Sixty-Five Thousand Five Hundred Seven only)

5. 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.
6. 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 Arcadia Share & Stock Brokers Pvt. Ltd. vide Show Cause notice no EAD-5/ADJ/SVKM/DS/OW/7907/7/2016 dated March 15, 2016.
7. 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.
8. 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 : December 29, 2017
Place : Mumbai

Biju. S
Adjudicating Officer