

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, against Shri Mukesh P. Doshi, sub-broker, SEBI Registration No. INS 010573819, Affiliated to M/s. SKSE Securities Ltd., Member-BSE

Whereas, Securities and Exchange Board of India (hereinafter referred to as SEBI) conducted an inspection of the books of accounts and other documents of Shri Mukesh P. Doshi, a sub broker affiliated to M/s. SKSE Securities Ltd., Member-The Stock Exchange, Mumbai (hereinafter referred to as "sub-broker") into the alleged violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act), Rules, Regulations and Circulars made there under. The inspection revealed various irregularities and violations including those of non maintenance of client agreements and dealing with unregistered sub brokers; and

whereas, an enquiry officer was thus appointed by SEBI under Regulation 5 of SEBI (Procedure for holding enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as 'Enquiry Regulations') to enquire into the alleged contravention of SEBI Act, SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992 (hereinafter referred to as Broker Regulations), SEBI (Stock Brokers & Sub-Brokers) Rules, 1992 (hereinafter referred to as Broker Rules), SEBI Circulars, and,

whereas, the Enquiry Officer after conducting the enquiry in terms of the Enquiry Regulations and while finding that in the facts and circumstances of the case and the corrective steps taken by the sub broker, albeit the other charges against the sub broker can not sustain, concluded that the sub broker has failed to observe the requirement of having client agreements in violation of SEBI circular no. SMD / Policy / Cir-11 / 97 dated May 21, 1997 and has also dealt with an unregistered entity i.e. M/s. Doshi Investments resulting into violation of provisions of SEBI Circulars SMD-1 / 3118 dated December 27, 1993 and SMD / OPG / AA / 1020 / 96 dated March 14, 1996, and therefore recommended minor penalty of warning against the sub broker vide his Enquiry Report dated October 27, 2004 ; and

whereas, a copy of the said Enquiry Report was forwarded to the sub broker along with a show cause notice dated November 04, 2004 advising it to show cause as to why action as may be considered appropriate should not be taken against it, and

whereas, the sub broker replied to the said show cause notice vide its letter dated December 03, 2004 and interalia submitted that he has already submitted the certificate from Chartered Accountant regarding maintenance of sub broker client agreement . Regarding the dealing with Doshi Investments, he submitted a certificate of Chartered Accountant and also a letter from Ms. P.M. Doshi, the proprietor of Doshi Investments stating that they are doing trading of shares on her own behalf and not for others and therefore, the minor penalty of warning recommended by the enquiry officer may be dropped; and

whereas, it is observed that the enquiry officer having considered these submissions, has recommended the minor penalty of warning against the sub broker.

Now therefore,

I, having considered the nature and gravity of the charges established, the facts and circumstances of the case, the recommendations of the Enquiry Officer, the submissions made by the broker thereto, and the mitigating factors as explained above, while agreeing with the findings of the Enquiry Officer, in exercise of powers conferred under Section 19 of the SEBI Act, read with Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulation 2002, hereby warn Shri Mukesh P. Doshi, a sub-broker bearing registration No. INS 010573819, affiliated to M/s. SKSE Securities Ltd., member-BSE to be careful in future in its dealings in the securities market and diligently adhere to the provisions of the SEBI Act ,1992, the Regulations and Circulars made there under.

DATE : 28.12.12005

PLACE: MUMBAI

MADHUKAR

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA