

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,

MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

M/S. GALAXY BROKING LIMITED

IN THE MATTER OF

INSPECTION OF IT'S BOOKS OF ACCOUNTS AND RECORDS.

1. SEBI conducted an Inspection of Galaxy Broking Limited, a stock broker registered with SEBI (hereinafter referred to as the applicant). SEBI by an *ad Interim ex parte* order dated January 24, 2006, and later by a confirmatory order dated December 21, 2006, suspended the certificate of registration of the applicant and further directed the applicant not to buy, sell or deal in securities, in any manner either directly or indirectly. Subsequently an Enquiry Officer was appointed to enquire into the violations committed by the applicant. It was alleged that the applicant had violated the provisions of Clause A (2) ,(5) and B(6) of the Code of Conduct for stock brokers under Regulation 7 and Regulation 18B of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and various circulars issued by SEBI namely Circular nos. SEBI/MRD/SE/Cir-15/2004 dated March 19, 2004 read with SEBI/MRD/SE/SU/Cir-16/04 dated March 31, 2004, SEBI/MRD/SE/Cir-33/2003/27/08 dated August 27, 2003, SMDRP/POLICY/CIR-49/2001 dated October 22, 2001 and SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004. The said Enquiry Proceedings are pending against the applicant.
2. The applicant made an application dated September 3, 2007 along with an affidavit of “undertakings / waivers” in the matter in terms of SEBI Circular no. EFD/Cir-1/2007 dated April 20th, 2007. Pursuant to the above application, the applicant vide letter dated October 4, 2007 proposed revised consent terms submitting that “In continuation of the consent application dated August 31, 2007, we submit revised terms as under:

- a. Agreeable to pay an amount of Rs. 1,00,000/-(Rupees one lac only)
 - b. The suspension of Galaxy Broking Limited from trading and debarment w.e.f 24/01/2006 on the clients viz. Anil A. Gandhi, Amrutlal J. Gandhi, Sudha Amrutlal Gandhi, Priti Anil Gandhi, Pooja Anil Gandhi, Amrut Securities Ltd and Manish Ashar may be reckoned with and accordingly the interim order may be vacated.”
3. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) and HPAC after deliberation recommended the case for settlement on payment of Rs. 1,00,000 (Rupees one lakh only) by the applicant.
 4. In terms of the applicant’s proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, applicant has remitted a sum of Rs.1,00,000/- (Rupees One lakh only) vide Demand Draft No. 679421 dated 07.12.2007 drawn on Union Bank of India, Mumbai, towards the terms of consent in the matter.
 5. In view of the above, it is hereby ordered that:
 - i) this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant in the matter of inspection of M/s. Galaxy Broking Ltd., and
 - ii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action including commencing/reopening of the pending proceedings against the applicant, if SEBI finds that –
 - a. any representations made by the applicant in the consent proceedings are subsequently discovered to be untrue.
 - b. the applicant has breached any of the clauses / conditions of undertakings/waivers filed during the current consent proceedings.
 6. Consequent upon the above settlement, the prohibition imposed on the applicant vide interim order dated January 24, 2006, is hereby vacated.
 7. This consent order is passed on this 7th day of January 2008 and shall come into force with immediate effect.

G. Anantharaman

Whole Time Member

T. C. Nair

Whole Time Member