

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
MUMBAI**

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**SHRI MITESH MANUBHAI SHETH
(PAN No. APPPS9135Q)**

IN THE MATTER OF

ENQUIRY PROCEEDINGS AGAINST SHRI MITESH MANUBHAI SHETH

(CONSENT APPLICATION NO. 1510 OF 2009)

1. Securities and Exchange Board of India (SEBI) vide its order dated April 24, 1995, suspended the certificate of registration of Shri Mitesh M Sheth, Member of Ahmedabad Stock Exchange Limited, SEBI Registration No. INB020127117 for the alleged violation of Regulation 17, 17(1)(j), 21(4) and 26(1), 30(1) and Clause B(2) of the Code of Conduct prescribed under Schedule II to Regulation 7 of the SEBI (Stock brokers and Sub brokers) Regulations, 1992, Rule 15(1), 15(2)(c) of Securities Contract (Regulation) Rules, 1957, Section 15 of Securities Contract (Regulation) Act, 1956, Rules 3 of SEBI (Stock Brokers and Sub Brokers) Rules, 1992 and Bye laws 199, 221(b), 355(b) and 357(ii) of the Ahmedabad Stock Exchange Limited.
2. Shri Mitesh M Sheth filed an appeal before the Appellate Authority of the Central Government, which vide order dated August 29, 1995, reduced the period of suspension imposed by SEBI. Shri Mitesh M Sheth then filed an appeal against the Order of the Appellate Authority before the Hon'ble

High Court of Gujarat. The Hon'ble High Court of Gujarat vide order dated February 27, 1997 set aside the order dated April 24, 1995 of SEBI. The order dated February 27, 1997 of the Single Bench of the Hon'ble High Court of Gujarat was challenged by SEBI before the Division Bench vide Letters Patent Appeal No. 399 of 1997. The Division Bench of the Hon'ble High Court of Gujarat vide order dated July 13, 2009, while setting aside the order dated Feb 27, 1997 of the Single Bench of the Hon'ble High Court of Gujarat, permitted Shri Mitesh M Sheth to file a representation before SEBI under the consent scheme. The Honorable Court has also observed that in view of the long lapse of time, SEBI is advised to consider any other lesser penalty against Shri Mitesh M Sheth.

3. While so, Shri Mitesh M Sheth vide letter dated August 27, 2009 requested for settlement of the proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.01 dated April 20, 2007. The applicant proposed revised terms of consent vide letter dated December 09, 2009. The High Powered Advisory Committee constituted by SEBI considered the terms proposed by the applicant and recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs. 2,00,000/- (Rupees Two lakh only) as settlement charges and Rs. 1,00,000/-(Rupees One lakh only) towards legal expenses in the matter. SEBI accepted the said terms of settlement and communicated to the applicant vide letter dated February 02, 2010.
4. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant, the applicant has remitted a sum of Rs. 2,00,000/- (Rupees Two lakh only) vide demand draft No. 017162 dated February 15, 2010 drawn on Central Bank of India, Mumbai towards the settlement charges and Rs. 1,00,000/-(Rupees One lakh only) vide demand draft No. 017161 dated February 15, 2010 drawn on Central Bank of India, Mumbai towards legal expenses in the matter.

5. In view of the above, it is hereby ordered that this consent order, disposes of the said Enquiry proceedings against the applicant.
6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing or reopening pending proceedings against the applicant, if:
 - i. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - ii. the applicant breaches any of the clauses/conditions of undertakings/ waivers filed during this consent proceeding.
7. A copy of the order shall be served on Ahmedabad Stock Exchange Limited of which the applicant is a trading member.
8. This consent order is passed on the 22nd day of March, 2010 and shall come into force with immediate effect.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER