

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Appeal No.256 of 2009

Date of decision: 24.9.2010

M/s. Kedar Nath Agarwal
405, Todi Chambers,
2, Lal Bazar Street,
Kolkata – 700 001.

..... Appellant

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

..... Respondent

Mr. Deepak Dhane, Advocate with Mr. Joby Mathew, Advocate for the Appellant.

Mr. R.S. Loona, Advocate with Mr. Abhishek Borgikar, Advocate for the Respondent.

CORAM : Justice N.K. Sodhi, Presiding Officer
Samar Ray, Member
P.K. Malhotra, Member

Per : Justice N.K. Sodhi, Presiding Officer (Oral)

The appellant is a stock broker registered with the Securities and Exchange Board of India (for short the Board). During the course of the periodic inspection carried out by the Board, serious irregularities were discovered in regard to the maintenance of records by the appellant. Proceedings under the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 were initiated and by order dated November 18, 2009, the whole time member of the Board suspended the certificate of registration of the appellant for a period of twenty days. It is against this order that the present appeal has been filed.

2. During the pendency of the appeal, the appellant filed an application for consent before the Board in terms of its circular dated April 20, 2007. The application alongwith the revised terms proposed by the appellant were put up before the High Powered Advisory Committee which approved the same. The matter was then placed before two whole time members who have also given their approval. It is pertinent to mention that

the appellant in his revised terms had proposed to pay Rs.32 lacs towards settlement charges and Rs.1.5 lacs towards legal expenses. As already mentioned, these terms have been approved by the Board and the High Powered Advisory Committee. The learned counsel for the appellant now makes a prayer that the appeal be disposed of as per the terms proposed by him and accepted by the Board.

We have heard the learned counsel for the parties and perused the impugned order. Having regard to the nature of deficiencies found during the course of inspection and the terms for consent as proposed by the appellant, we are satisfied that the ends of justice would be adequately met if the appeal is disposed of as per the consent terms proposed by the appellant and accepted by the Board. We order accordingly. The impugned order shall stand modified as per those terms. No costs.

Sd/-
Justice N.K.Sodhi
Presiding Officer

Sd/-
Samar Ray
Member

Sd/-
P.K. Malhotra
Member

24.9.2010

Prepared and compared by
RHN