

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: M.S. SAHOO, WHOLE TIME MEMBER**

**IN THE MATTER OF APPLICATION BY M/S. SATYSHIV SHARES &
SECURITIES LTD. FOR GRANT OF CERTIFICATE OF REGISTRATION AS A
STOCK BROKER**

Date of Hearing: April 6, 2011

Appearances:

For Noticee: None.

For SEBI: Mr. Kajio Mao, Assistant Legal Adviser (Presenting Officer)
Mr. Amitesh Kumar, Assistant Legal Adviser, and
Mr. Amit Kapoor, Assistant General Manager.

ORDER

**UNDER REGULATION 8(1) OF THE SEBI (STOCK BROKERS AND SUB-
BROKERS) REGULATIONS, 1992**

1. Satyshiv Shares & Securities Ltd., a company (the applicant) having its registered office at M-11 South Extension, Part – II, New Delhi 110049 submitted an application dated October 30, 2009 for registration as stock broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (the Regulations). This application was forwarded by Delhi Stock Exchange Limited vide its letter dated December 10, 2009 to SEBI.
2. While processing the application for registration as a stock broker, it prima facie appeared to SEBI that the experience certificates of designated directors (Mr. Ramphal Gupta and Ms. Veena Gupta), purportedly issued by India Infoline Limited (IIL), attached to the said application were not genuine. SEBI took up the matter with IIL, vide e-mail dated January 04, 2010, to verify the genuineness of the experience certificates. IIL, vide e-mail dated January 06, 2010, replied that it has not issued the said certificates and the designated directors of the applicant never worked in IIL.
3. In view of the above, SEBI formed a prima facie view that the applicant was not a fit and proper person to be registered as a stock broker. It accordingly issued a notice dated May 13, 2010 asking the applicant to show cause as to why one or more actions, including but not limited to rejection of its application, may not be taken against it. The applicant, vide letter dated September 28, 2010, unconditionally apologized for this lapse. Though an opportunity of personal hearing was granted to the applicant on April 06, 2011, it did not avail of the same. Instead, vide e-mail dated April 04, 2011, it requested SEBI to drop the matter.
4. I have perused the application, the submissions of the applicant and other material available on record.

5. I note that regulation 5 of the Regulations requires SEBI to take into account, while considering grant of certificate of registration, all matters relating to buying, selling, or dealing in securities, and in particular, whether the applicant is a “fit and proper person”. Regulation 5A of the Regulations read with Schedule II of the SEBI (Intermediaries) Regulation, 2008 requires SEBI to take into account integrity, reputation and character of the applicant to determine whether it is a fit and proper person. It is clear that the applicant is not a fit and proper person as it provided false and misleading information about the experience of its designated directors, to secure registration as a stock broker. This has not been contested by the applicant. Therefore, the application for registration as a stock broker is liable to be rejected.

6. In view of the foregoing, pursuant to the powers conferred upon me, under Section 19 of Securities and Exchange Board of India Act 1992, read with regulation 8(1) of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and Schedule II of the SEBI (Intermediaries) Regulations, 2008, I hereby reject the application dated October 30, 2009, submitted by Satyshiv Shares & Securities Ltd., for grant of certificate of registration as a stock broker of Delhi Stock Exchange Limited.

7. This order shall come into force with immediate effect.

DATE: April 19, 2011
PLACE: MUMBAI

M. S. SAHOO
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA