

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Misc. Application No. 45 of 2008

And

Appeal No. 56 of 2007

Date of decision: 26.05.2008

The First Custodian Fund (India) Ltd.

.....Applicant/Appellant

Versus

Securities and Exchange Board of India

..... Respondent

Mr. Joby Mathew Advocate for the Applicant.

Mr. Ravi Hegde Advocate with Ms. Dhvani Mehta Advocate for the Respondent.

Coram: Justice N.K. Sodhi, Presiding Officer
Arun Bhargava, Member
Utpal Bhattacharya, Member

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

This order will dispose of three Appeals no. 56 to 58 of 2007 alongwith the three applications filed therein seeking disposal of the Appeals as per the consent terms arrived at between the appellants and the Securities and Exchange Board of India (for short the Board).

The appellants are registered stock brokers. By the impugned orders they were found guilty of manipulating the securities market thereby violating the provisions of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992. Their certificates of registration were ordered to be suspended for a period of three months each. It is against these orders that the three appeals have been filed.

During the pendency of the Appeals, the appellants filed separate applications seeking for a consent order as per the guidelines issued by circular dated April 20, 2007. The applications were processed and put up before the High Powered Committee constituted under the guidelines. The committee considered the requests of the

appellants in the light of the allegations established against them in the impugned orders and has accepted the terms offered by the appellants. In Appeals no. 56 and 57 of 2007 the appellants have offered to pay a sum of Rs.10.25 lacs and Rs.7.75 lacs respectively in full and final settlement of their disputes. In Appeal no. 58 of 2007 the appellant offered to pay a sum of Rs.25,000 towards legal expenses and voluntarily agreed to remain out of the market for a period of six months. The offers made by the appellants have been accepted by the committee and recommendations made to the Board to grant its approval. We have perused the original record and find that the chairman and wholetime member of the Board have granted in-principal approval subject to the final order to be passed by us in appeal.

Having regard to the facts and circumstances of these cases and after going through the minutes of the proceedings recorded by the committee, we deem it appropriate to pass an order as per the terms offered by the appellants and accepted by the committee and the Board. All the three appeals stand disposed of as per the consent terms approved by the Board and the miscellaneous applications stand allowed.

Before parting with the order, we may mention that in Appeal no.57 of 2007 the applicant has filed a wrong annexure with the application. Mr. Joby Mathew learned counsel for the applicant states that he may be allowed to place the letter dated April 25, 2008 on the record which was meant to be attached alongwith the application. The earlier annexure is allowed to be withdrawn and the letter dated April 25, 2008 is taken on record.

Sd/-
Justice N.K. Sodhi
Presiding Officer

Sd/-
Arun Bhargava
Member

Sd/-
Utpal Bhattacharya
Member

26.5.2008
pw

