

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**M/s. M. AGARWAL STOCK BROKERS PRIVATE LIMITED
(PAN No.AABCM0129Q)**

**IN THE MATTER OF
M/s. KARISHMA FLORICULTURE LIMITED**

(CONSENT APPLICATION NO. 531/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations in respect of buying, selling and dealing in the shares of M/s. Karishma Floriculture Limited (hereinafter referred to as 'Karishma') during the period 1995-96. These investigations completed on July 30, 2004, *prima facie*, revealed that M/s. M. Agarwal Stock Brokers Private Limited (hereinafter referred to as 'applicant'), member of Delhi Stock Exchange, had acted in nexus with its group entities in manipulating the share price of Karishma and engaging in irregular trade transactions involving unregistered sub-brokers as well. Therefore, it was alleged that the applicant had violated Clauses A(1), A(2), A(3), A(4), A(5) and C(6) of Code of Conduct for Stock Brokers as specified under Schedule II of Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and SEBI Circular No. SMD-I/3118 dated December 27, 1993.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings against the applicant. After concluding the said proceedings, the Enquiry officer submitted her report dated January 15, 2007 wherein she recommended that the certificate of registration granted to the applicant with SEBI be suspended for a period of three weeks. Thereafter, SEBI issued a show cause notice No.IVD/NRO/03/AS/1534 dated January 23, 2007 to the applicant under Regulation 13(2) of SEBI (Procedure for

Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. While the proceedings pursuant to the same were in progress, the applicant, vide application dated February 12, 2008, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant proposed revised consent terms vide letter dated March 25, 2009, whereby the applicant undertook to pay Rs.3,00,000/- (Rupees Three lakh only) towards settlement. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee and the High Powered Advisory Committee, after deliberations, recommended that the case may be settled on the terms proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 3, 2009.

3. 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.3,00,000/- (Rupees Three lakh only) towards settlement charges vide Demand Draft No.051606 dated September 9, 2009 drawn on HDFC Bank Ltd., Mumbai.
4. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant in the matter.
5. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against the applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.

6. This consent order is passed on this day, the 9th of October, 2009.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER-