

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

SHRI R. D. LAHOTI

(SEBI REG. NO. INS 230933314)

IN THE MATTER OF

ENQUIRY PROCEEDINGS AGAINST SHRI R. D. LAHOTI

(CONSENT APPLICATION NO. 428 OF 2008)

1. Securities and Exchange Board of India (SEBI) had conducted an inspection of the books of accounts and other records of Shri R. D. Lahoti (hereinafter referred to as the applicant), a sub-broker (INS 230933314) affiliated to HSE Securities Ltd., a broker of NSE for the period April 01, 2001 to May 23, 2003. The inspection, prima facie, revealed certain irregularities, such as, non-collection of margins from the clients and acting as an unregistered sub-broker.
2. In view of the above findings, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, alleging violation of provisions of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and various circulars issued by SEBI. Based on the enquiry report, a show cause notice dated April 07, 2005 was issued to the applicant. The applicant replied to the show cause notice vide letter dated April 29, 2005.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated December 28, 2007, requested for settlement of the proceedings through a consent order in terms of SEBI circular No.EFD/ED/Cir.01 dated April 20, 2007. He proposed revised terms of consent vide letter dated May 16, 2008. 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. 25,000 (Rupees twenty five thousand only) as settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated October 22, 2008.

4. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, the applicant has remitted a sum of Rs. 25,000 (Rupees twenty five thousand only) vide demand draft No. 310367 dated November 3, 2008 drawn on Canara Bank, Mumbai towards the settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant for the violations mentioned above.
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;
 - 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 NSE of which the applicant is a sub-broker.
8. This consent order is passed on the 28th day of November, 2008 and shall come into force with immediate effect.

T. C. Nair
Whole Time Member

M. S. Sahoo
Whole Time Member