

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

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
M/s. KEYNOTE CORPORATE SERVICES LIMITED
(PAN. AAACK3234D)**

**In the matter of
CONSORTEX KARL DOELITZSCH (INDIA) LIMITED (formerly known as Andhra
Pradesh Power Tools (India) Limited)**

(CONSENT APPLICATION NO. 2491/2012)

1. Securities and Exchange Board of India (SEBI) conducted investigation into the public issue of Consortex Karl Doelitzsch (India) Limited, pursuant to which, an enquiry officer was appointed to enquire into the irregularities noticed during the investigation. The Enquiry Officer, after conducting the enquiry, submitted enquiry report dated September 16, 2005 (hereinafter referred to as the 'said report') recommending termination of proceedings against M/s. Keynote Corporate Services Limited (hereinafter referred to as 'the applicant'). The said report has been considered by the Whole Time Member, SEBI.
2. Subsequently, a show cause notice bearing reference no. IVD/ID1/MS/NK/CKDIL/18149/2011 dated June 7, 2011 has been issued to the applicant calling upon to show cause as to why a higher penalty other than as recommended by the Enquiry Officer or as considered appropriate should not be imposed on the applicant in terms of Regulation 28 (1) read with Regulation 38 (2) of the SEBI (Intermediaries) Regulations, 2008. On receipt of reply dated June 24, 2011

from the applicant pointing out that SEBI had not given any cause or basis of disagreement with the findings of the Enquiry Officer, the Whole Time Member of SEBI found it appropriate to provide the same and hence an additional show cause notice bearing reference no. SEBI/IVD/ID1/MS/NK/31078/2011 dated September 30, 2011 was issued to the applicant. It was alleged that the applicant had failed to fulfill the requirements of Clause 2 of the Code of Conduct for Merchant Bankers as specified in Schedule III read with Regulation 13 of the SEBI (Merchant Bankers) Regulations, 1992 (MB Regulations) and calling upon to show cause as to why a higher penalty other than as recommended by the Enquiry Officer or as considered appropriate should not be imposed on the applicant in terms of Regulation 28 (1) read with Regulation 38 (2) of the SEBI (Intermediaries) Regulations, 2008. It is alleged that the applicant as a pre-issue lead manager, failed to render high standards of service, by not verifying the records/contents of the certificate of the auditor independently and thus failed to exercise due diligence, proper care and independent professional judgment in the public issue of Consortex Karl Doelitzsch (India) Limited.

3. While the proceedings commenced with the issuing of SCN were in progress, the applicant, vide application dated 20.01.2012 proposed settlement through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007, and thereafter proposed revised terms of settlement vide letter dated 13.04.2012, whereby the applicant undertook to pay ₹ 5,00,000/- (Rupees Five Lacs only). The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) constituted by SEBI on May 30, 2012, which after deliberations, recommended that the aforesaid pending proceedings against the applicant may be settled on the terms as proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated 05.09.2012.
4. For the sole purpose of settling the matter on hand and without admission or denial of guilt, the applicant vide its letter dated September 14, 2012 forwarded Demand Draft bearing no. 128074 dated 13.09.2012 in favour of SEBI for a sum of ₹ 5,00,000/- (Rupees Five Lacs only) drawn on Indian Bank, Nariman Point, Mumbai.

5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings initiated against M/s. Keynote Corporate Services Limited (PAN. AAACK3234D) vide show cause notice bearing reference no. IVD/ID1/MS/NK/CKDIL/18149/2011 dated June 7, 2011 and additional show cause notice bearing reference no. SEBI/IVD/ID1/MS/NK/31078/2011 dated September 30, 2011 (SCNs) as mentioned in paragraph 2 above. It is clarified that the settlement in this order shall extend only to the charges levelled against the applicant in the said SCNs.
6. This order is without prejudice to the right of the Board 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.
7. This order is passed on this day, the 31st of October 2012.

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER