

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CONSENT ORDER

CO/MIRSD/AO/KS/01/2010

Consent order under section 15 I of Securities and Exchange Board of India Act, 1996, section 19H of Depositories Act, 1996 read with Rule 3 of Depositories (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 2005.

In respect of

**Central Bank of India,
Depository Participant, CDSL
Regn. No. IN - DP - CDSL- 296 - 2005
PAN NO. AAACC2498P**

- 1) SEBI, vide order dated July 3, 2009 initiated adjudication proceedings against Central Bank of India (hereinafter referred to as "Noticee"/ "applicant") for the alleged non-compliance with the provisions of Sections 19B and 19G of the Depositories Act, 1996, Regulations 41, 42 (2), clauses 4, 15 and 16 of the code of conduct prescribed under regulation 20A of Securities and Exchange Board of India (Depositories and Participants), Regulations, 1996; SEBI circular No. SEBI/MRD/DOP/Cir-22/2004 dated July 14, 2004, MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004, MRD/DoP/Dep/SE/Cir-17/06 dated October 27, 2006, MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006, SEBI/MRD/Dep/Cir-03/2007 dated February 13, 2007, clauses 5.3.3. & 13.8.1 of CDSL Bye-Laws & clause 7.1.3 of Annexure B of CDSL Bye-laws, CDSL communiqué no. 252 dated March 07, 2003, communiqué No. 278 dated June 11, 2003, communiqué No.781 dated November 01, 2006, communiqué no. 817 dated January 3, 2007, communiqué no. 887 dated



May 3, 2007, communiqué No. 892 dated May 04, 2007, communiqué no. 978 dated October 22, 2007, communiqué no. 989 dated November 13, 2007, CDSL operating instructions nos. 2.3.4, 2.4.6, 2.4.25, 6.5.2.1, 8.5.2, 10.5.3 & 16.4. A show cause notice dated July 23, 2009 was issued to the Noticee under Rule 4 of Depositories (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (hereinafter referred to as "the Adjudication Rules").

- 2) Pending adjudication proceedings, the Noticee made an application dated, August 20, 2009 and an affidavit in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated 20th April, 2007. Pursuant to the said application, the Noticee vide letter dated December 21, 2009 proposed revised consent terms submitting that they were willing to pay a consolidated amount of Rs. 1,00,000/- (Rupees One Lakh only) towards settlement terms. The revised consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") and HPAC after deliberation recommended the case for settlement on the revised consent terms proposed by the Noticee. Thereafter, SEBI vide letter dated February 4, 2010 conveyed to the applicant that SEBI has in principle agreed to accept the recommendation of HPAC, subject to the clauses of undertakings / waivers as mentioned therein.
- 3) In terms of the proposal of the Noticee for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs. 1,00,000/- (Rupees One Lakh only) favouring SEBI vide Demand Draft No. 38/20253 dated February 10, 2010 drawn on Central Bank of India, payable at Mumbai, towards the terms of consent in the matter.



4.) In view of the above, it is hereby ordered that:

i) This consent order disposes of the said adjudication proceedings pending against the Noticee under the Securities and Exchange Board of India Act, 1992 and the Depositories Act, 1996

ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that:

a) Any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.

b) The Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.

This consent order is passed on the 16th day of February, 2010 and shall come into force with immediate effect.

In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

PLACE: MUMBAI




K. SARAVANAN
ADJUDICATING OFFICER