

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

AGARWAL SECURITIES

IN THE MATTER OF
KARISHMA FLORICULTURE LIMITED

(CONSENT APPLICATION NO. 494/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations in respect of buying, selling and dealing in the shares of Karishma Floriculture Limited (hereinafter referred to as 'KFL') during the period 1995-96. The investigations *prima facie*, revealed that Agarwal Securities a proprietary concern (hereinafter referred to as 'applicant') had acted as an unregistered sub-broker and indulged in trading of KFL. Therefore, it was alleged that the applicant had violated Rule 3 of the SEBI (Stock Brokers and Sub-Brokers) Rules, 1992 read with Section 12(1) of the SEBI Act, 1992.
2. Pursuant to the said investigations, SEBI initiated proceedings under Section 11B of SEBI Act, 1992 read with Section 12 of the SEBI Act, 1992 and Rule 3 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. Thereafter, SEBI issued Show Cause Notice No. IVD/NRO/03/KARISHMA/2003-04/AN/23711 dated May 27, 2005.
3. While the above said proceedings were in progress, the applicant, vide application dated February 8, 2008 and letter dated December 10, 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 High Powered Advisory Committee constituted by SEBI, considered the consent terms



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proposed by the applicant and recommended the case may be settled on payment of Rupees 3,00,000/- (Rupees Three lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 03, 2009.

4. The applicant for the sole purpose of settling the matter without admitting or denying the charges, remitted a sum of Rupee 3,00,000/- (Rupees Three lakh only) vide Demand Draft No.051622 dated September 10, 2009 drawn on HDFC Bank Ltd., Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the above said proceedings against the applicant (PAN ABQPM 3159H).
6. 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.
7. This consent order is passed on this day, the 27th of October, 2009 and shall come into force with immediate effect.



M. S. Saha
M. S. SAHOO

WHOLE TIME MEMBER

Dr. K. M. Abraham
Dr. K. M. ABRAHAM

WHOLE TIME MEMBER