

SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

ORDER

UNDER REGULATIONS 33A AND 33B OF THE SEBI (INTERMEDIARIES)
REGULATIONS, 2008IN THE MATTER OF SUMMARY PROCEEDINGS AGAINST THE STOCK
BROKERS WHO DEFAULTED IN PAYMENT OF REGISTRATION FEES

1. Vide Order dated August 11, 2005 under Regulation 16(1) of the extant SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, SEBI had appointed Officers to conduct summary proceedings, interalia, against the following two stock brokers who had allegedly defaulted in the payment of registration fees:

SL.NO.	NAME OF STOCK BROKER	REGN. NO.	STOCK EXCHANGE
1.	Bhavraj Securities Pvt. Ltd.	INB120902139	Ludhiana
2.	Sanjay Arunkumar Choksi	INB190956719	Vadodara

2. The Officers have submitted their reports recommending suspension of the certificates of registration of these two stock brokers till the time the outstanding registration fees is paid.
3. I have considered the recommendations of the Officers. I note from the replies of the these two stock brokers that they have requested for waiver / reduction of interest accrued in their accounts. They have, however, not contested the fee liabilities due from them. I note that in terms of Regulation 10(1) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992, every stock broker is required to pay the fees as specified in Schedule III. The Schedule III requires a stock broker to pay the fees on or before the 1st October for the preceding financial year along with the computation of the fees with reference to the turnover. The Regulations provide that if a stock broker fails to fees, he shall be liable to pay interest at 15% per annum. These two stock brokers have failed to pay the fees and the interest thereon, as required under the Regulations.
4. Regulation 10(2) authorizes SEBI to suspend the registration of a stock broker who fails to pay the fees required under the Regulations. In terms of Regulation 6A (1), registration granted to a stock broker is subject to condition that it pays the fees in the manner provided in the regulations. Since these two stock brokers have failed to pay the fees, they



no more fulfil the condition of registration and they are, therefore, liable for the action under Regulation 10(2) read with Regulation 27(vii).

5. I note that the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 have since been repealed and replaced by the SEBI (Intermediaries) Regulations, 2008.
6. I, therefore, in exercise of the powers conferred upon me under Section 19 of the SEBI Act, 1992 read with Regulation 33B (5) and (6) of the SEBI (Intermediaries) Regulations, 2008, hereby suspend the certificates of registration of these two stock brokers till the time the outstanding registration fees is fully paid.
7. A copy of this Order shall be served on the respective Stock Exchanges of which these two stock brokers are members for necessary action.
8. This Order shall come into force on the expiry of 21 days from the date of this Order.

DATE: September 17, 2010
PLACE: MUMBAI

M. S. Sahoo
M. S. SAHOO
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

