

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Appeal No.3 of 2011

Date of Decision :7.2.2011

M. Meenaksi Sundram @ MM Sundram
115 V H Road,
Coimbatore.

.....Appellant

Versus

Securities and Exchange Board of India
C4A, G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai.

.....Respondent

Mr. M. M. Sundram, Appellant in person.

Dr. Poornima Advani, Advocate with Ms. Amrita Joshi, Advocate for the Respondent.

CORAM : Justice N.K. Sodhi, Presiding Officer
S.S.N. Moorthy, Member

Per : Justice N.K. Sodhi, Presiding Officer (Oral)

One of the grounds on which the certificate of registration of the appellant as a stock broker has been cancelled is that he ceased to be a member of the Coimbatore Stock Exchange. Regulation 6A of the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992 (for short the Regulations) prescribes the conditions for registration and one of them is that the stock broker should continue to hold the membership of any stock exchange. The appellant is unable to satisfy us that he is a member of any stock exchange in the country. What he contends is that his membership card of the Coimbatore Stock Exchange was sought to be auctioned by that exchange and he filed a civil suit against the exchange and the Securities and Exchange Board of India (for short the Board) and obtained an ex-parte permanent injunction on September 6, 1999. He further contends that on the basis of this court order, the Coimbatore Stock Exchange reinducted him as a member. He is unable to produce any document before us showing that he was reinducted. On the other hand, the learned counsel for the respondent has placed the record before us showing that membership card of the appellant had been auctioned by the stock exchange on September 11, 1996 and

that it was purchased by one C. Chell Nagappan who then got registered with the Board as a stock broker on May 4, 1998. We have perused the memorandum of appeal as well and it is nowhere stated that the appellant had been reinducted as a member of the Coimbatore Stock Exchange after the decree of permanent injunction was passed in his favour. Since the auction took place much prior to the passing of the decree and the appellant has failed to produce any document showing that he is a member of any exchange, the whole time member of the Board was justified in cancelling his certificate of registration as he ceased to comply with the mandatory conditions prescribed in Regulation 6A of the Regulations. In this view of the matter, we find no merit in the appeal and the same stands dismissed with no order as to costs.

Sd/-
Justice N.K.Sodhi
Presiding Officer

Sd/-
S.S.N. Moorthy
Member

7.2.2011

Prepared and compared by
RHN