

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. IVD-ID1/F&O-2005/AO/ DRK/ ASG/EAD-3/ CO- 20/2009

CONSENT ORDER

(Application No. 783 of 2008)

In the matter of

Ashika Stock Broking Ltd.

Stock broker of NSE

SEBI Registration No. INB230833437

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), vide order dated December 18, 2007 initiated adjudication proceedings against Ashika Stock Broking Ltd., (hereinafter referred to as ‘**the Noticee**’) to inquire into and adjudge under Section 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the ‘**SEBI Act**’), the violations of the provisions of Regulations 4(1), 4(2)(a), 4(2)(b), 4(2)(e), 4(2)(g) and 4(2)(n) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Clauses A(1), A(2), A(3) A(4) and A(5) of the Code of Conduct prescribed for Stock brokers in Schedule II under Regulation 7 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 alleged to have been committed by the noticee in respect of its dealings in the futures and options segment of the National Stock Exchange of India Ltd. (hereinafter referred to as ‘NSE’) during the period from 1st February 2005 to 31st March 2005. Show Cause Notice No. A&E/BS/ASG/121845/2008 dated March 31, 2008 was issued to the Noticee. A reply dated June 10, 2008 was received from the entity.

2. I was appointed as the Adjudicating Officer vide order dated December 10, 2008, under section 15 I of the SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.
3. Pending adjudication proceedings, the Noticee made an Application for Consent dated June 16, 2008 (Consent application Regn. No. 783 of 2008) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, as requested by the Noticee a meeting was granted to it before the Internal Committee on Consent on November 21, 2008 and the consent terms were settled at an amount of Rs.5,00,000/- (Rupees Five Lakhs) only towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on February 25, 2009 and the HPAC considered the facts and circumstances of the case, proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the Noticee.
4. 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 findings of fact or conclusions of law, the Noticee has remitted a consolidated sum of Rs.5,00,000/- (Rupees Five Lakhs) only favoring SEBI vide Demand Draft No. 010179 dated June 02, 2009 drawn on HDFC Bank Ltd. payable at Mumbai, towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings pending against the Noticee mentioned in para 1, and
 - 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.
6. This consent order is passed on the **30th day of June, 2009** and shall come into force with immediate effect.
7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Ashika Stock Broking Ltd., stock broker of NSE (SEBI Registration No. INB 230833437) and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai

**D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER**