

**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Consent Order. IVD-ID1/F&O-2004/AO/DRK/SS/EAD-3/CO-18/2009**

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**CONSENT ORDER**

(Consent Application No.876/2008)

In the matter of

**SMC Global Securities Ltd.**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide order dated March 19, 2008 initiated adjudication proceedings against SMC Global Securities 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 violation of the provisions of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, and Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, alleged to have been committed by the noticee in respect of its dealings in the Options Contracts in the Futures and Options Segment. Show Cause Notice A&E/BS/PJ/125801/2008 dated May 15, 2008 was issued to the Noticee by the Adjudicating Officer.
2. I was appointed as the Adjudicating Officer in the present case (subsequent to the transfer of Shri Biju S.) 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 dated August 01, 2008 (Consent application Regn. No. 876 of 2008) and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Pursuant to the said application, the Noticee submitted its revised consent terms vide its letter dated January 01, 2009, wherein it proposed an amount of Rs.7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) on March 30, 2009, and the HPAC considered the facts and circumstances of the case, the 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 revised 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 sum of Rs.7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) favoring Securities and Exchange Board of India vide Demand Draft No. 048261 dated 09/05/2009 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 under SEBI Act, 1992, 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 4th 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 sent to the SMC Global Securities Ltd. and also to the Securities and Exchange Board of India, Mumbai.

**Place: Mumbai**

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