

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,  
MUMBAI**

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**M/s. SHRI PARASRAM HOLDINGS PRIVATE LIMITED  
MEMBER: NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
(SEBI REGISTRATION No. INB 230814036)**

**MEMBER : BOMBAY STOCK EXCHANGE LIMITED  
(SEBI REGISTRATION No. INB 010814036)**

**DEPOSITORY PARTICIPANT, NATIONAL SECURITIES  
DEPOSITORY LIMITED  
(REGISTRATION No. IN-DP-NSDL -194-2001)**

**(CONSENT APPLICATION NO.1588/2009)**

1. Securities and Exchange Board of India (SEBI) conducted an inspection of books of accounts and other records of M/s. Shri Parasram Holdings Private Limited (hereinafter referred to as 'the applicant') during August, 2006. The inspection found certain irregularities such as non-cooperation with the inspection team; submission of incomplete and altered information to inspection team; mismanagement of clients' trading and bank accounts; large cash withdrawals and deposits in the group company; not framing any policy framework nor appointing any Principal Officer under Anti Money Laundering standards; non-disclosure of proprietary trading to clients; transferring of trades from one pro-account to another pro-account; lack of due diligence in maintaining details of branches and trading terminals; dealing with unregistered sub-brokers; discrepancies with regard to distribution of NEAT/CTCL terminals and illegal distribution of trading terminals at branches; operation of terminals from undisclosed premises and by unauthorized users at branches; permitting dealers without NCFM

certification to deal in derivative trading; delay in redressal of investor complaints; lack of due diligence while opening beneficial owner accounts etc. The Inspection report detailing the irregularities was forwarded to the applicant vide SEBI letter dated February 13, 2007.

2. In view of the said lapses/deficiencies, a show cause notice (SCN) dated August 6, 2009 was issued to the applicant by the Designated Authority under Regulation 25(1) of SEBI (Intermediaries) Regulations, 2008 as part of enquiry into the alleged violation of provisions of Section 12(1) of the SEBI Act, 1992; Rule 3 and 4(b) of SEBI (Stock Brokers and Sub-Brokers) Rules, 1992; Regulations 7(C)(6) and 21 of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992; Clauses A(1), A(2), A(5), B(6) and D(1) of the Code of Conduct specified under Regulation 7 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992; Para 4 of the Code of Conduct for Participants specified under Regulation 20A of SEBI (Depositories and Participants) Regulations, 1996 and various SEBI circulars.
3. While the proceedings pursuant to the said SCN were in progress, the applicant vide application dated September 29, 2009, 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 applicant proposed revised consent terms vide letter dated June 17, 2010, whereby the applicant undertook to pay ₹53,00,000/- (Rupees Fifty Three Lakh only) towards settlement charges. The consent terms proposed by the applicant was placed before the High Powered Advisory Committee which, after deliberations, recommended that the case may be settled on the terms proposed by the applicant. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated August 9, 2010.

4. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant, the applicant has remitted a sum of ₹53,00,000/- (Rupees Fifty Three Lakh only) vide Demand Draft No.751118 dated August 17, 2010 drawn on IndusInd Bank Ltd., Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings initiated against M/s. Shri Parasram Holdings Private Limited.
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. A copy of this order shall be served on National Stock Exchange of India Limited, Bombay Stock Exchange Limited and NSDL.
8. This consent order is passed on this day, the 6th of September, 2010.

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**