

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

M/s. PSJ SECURITIES PRIVATE LIMITED

IN THE MATTER OF

DEALING IN FUTURES AND OPTIONS CONTRACTS

(CONSENT APPLICATION No. 262/2007)

1. Securities and Exchange Board of India (SEBI) had investigated the alleged irregularities in trading of the Futures and Options Segment (F&O) of the National Stock Exchange of India Limited (NSE) for the period January - March 2007. The investigations, *prima facie*, revealed that M/s. PSJ Securities Private Limited, a trading member of NSE, (hereinafter referred to as 'applicant') was buying and selling equal quantities of option contracts intra day to synchronize with trades of other trading members. Thus, the applicant violated Regulation 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 1992 and Regulation 7 of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B and 11D of the SEBI Act, 1992 and adjudication under Chapter VI of the Act, against the applicant and issued an interim cease and desist Order dated June 18, 2007. The Adjudicating Officer issued a show cause notice to the applicant on October 05, 2007.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated October 31, 2007, proposed settlement of the said proceedings through a consent order in terms of SEBI circular No. EFD/Cir-1/2007 dated April 20, 2007. High Powered Advisory Committee

appointed by SEBI, considered the consent terms and after deliberations, recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs.4,00,000/- (Rupees four lakh only) towards settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated July 30, 2008.

4. Accordingly, the applicant has, without admitting or denying the charges, remitted a sum of Rs.4,00,000/- (Rupees four lakh only) vide demand draft No. 254815 dated August 08, 2008 drawn on Bank of India payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said 11B and 11D proceedings pending before SEBI against the applicant. The Adjudicating Officer shall pass a separate order disposing of the adjudication proceedings.
6. This order is without prejudice to the right of SEBI to take enforcement actions including commencing / 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.
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceedings.
7. This consent order is passed on this day, the 30th September, 2008 and shall come into force with immediate effect.

Dr. T. C. Nair
Whole Time Member

M. S. Sahoo

Whole Time Member