

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order. IVD-ID1/F&O-2005/AO/ DRK/ ASG/EAD-3/ CO-19/2009

CONSENT ORDER

(Application No. 654 of 2008)

In the matter of

SMC Global Securities Ltd.

Stock broker of NSE

SEBI Registration No. INB230771431

1. This order is in continuation of Order No. IVD-ID1/F&O-2004/AO/DRK/SS/EAD-3/CO-18/2009 dated June 04, 2009.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), vide order dated December 18, 2007 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 violations of the provisions of the SEBI (Stock Brokers and Sub-brokers) Rules and Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 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/121844/2008 dated March 31, 2008 was issued to the Noticee.

3. 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.
4. Pending adjudication proceedings, the Noticee made an application on May 6, 2008 (Consent application Regn. No. 654 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. On August 01, 2008, the noticee submitted another application (Consent application Regn. No. 876 of 2008) in terms of the above-mentioned SEBI Circular in another adjudicating proceeding pending before me related to its dealings in the F&O segment of NSE in the year 2004. Pursuant to the said applications, as requested by the Noticee a meeting was granted to it before the Internal Committee on Consent on January 01, 2009 and the consent terms were settled at a consolidated amount of Rs.7,50,000/- (Rupees Seven Lakh Fifty Thousand) only towards settlement charges for both the applications (No. 654 and 876 of 2008). 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, 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.
5. 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.7,50,000/- (Rupees Seven Lakh Fifty Thousand) only favoring SEBI vide Demand Draft No. 048261 dated May 09, 2009 drawn on HDFC Bank. payable at Mumbai, towards the terms of consent in the matter for both Applications no. 654 and 876 of 2008.

6. Application No. 876 of 2009 has been disposed of by passing the Consent Order No. IVD-ID1/F&O-2004/AO/DRK/SS/EAD-3/CO-18/2009 dated June 04, 2009.
7. 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 2, 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.
8. This consent order is passed on the **5th day of June, 2009** and shall come into force with immediate effect.
9. 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 SMC Global Securities Ltd., stock broker of NSE (SEBI Registration No. INB 230771431) and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai

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