

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**CONSENT ORDER**  
**ON THE APPLICATIONS SUBMITTED BY**  
**AMAR M. SHAH**  
**IN THE MATTER OF**  
**DEALINGS IN FUTURES AND OPTIONS CONTRACTS**

**(CONSENT APPLICATION NOS. 1182/2009 & 1322/2009)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in dealings in the Futures and Options (F&O) Segment of the National Stock Exchange of India Limited (NSE) for the period January - March 2007. The investigations, *prima facie*, revealed that Amar M. Shah (hereinafter referred to as the applicant), violated Regulations 3 and 4 (1), (2) (a) & (b) of the SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 2003.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B, 11(4) and 11D of the SEBI Act, 1992 and adjudication proceedings under Chapter VIA of the SEBI Act, 1992 against the applicant. SEBI issued an ad-interim ex-parte order dated June 18, 2007 directing the applicant, amongst others, to cease and desist from dealing in futures and options in the manner found violative of the provisions referred to above. The adjudicating officer issued a show cause notice dated October 05, 2007.
3. While the above proceedings were in progress, the applicant, vide letter dated January 27, 2009 proposed settlement of the pending Adjudication proceedings through a consent order in terms of SEBI circular

No.EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated February 19, 2009. Subsequently, vide letter dated May 18, 2009, he proposed to settle the pending 11B proceedings also on the same subject matter. Vide letter dated June 01, 2009, he proposed revised terms. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and, after taking into account the prohibition already suffered by the applicant in terms of the interim order, recommended the case for settlement on payment of Rs. 7,75,000/- (Rupees Seven Lakh and Seventy Five Thousand Only) towards settlement charges and Rs.25,000/- (Rupees Twenty Five Thousand Only) towards administrative charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letters dated April 15, 2009 and September 3, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.8,00,000/- (Rupees Eight Lakh only) vide demand drafts No. 006095 dated April 23, 2009 and no.006175 dated September 08, 2009 drawn on HDFC Bank Ltd, payable at Mumbai. This comprises Rs.7,75,000/- towards settlement charges and Rs.25,000/- towards administrative charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings under section 11B, 11(4), 11D as well as adjudication proceedings pending against the applicant in the matter of dealings in Futures and Options contracts.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the pending proceedings 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 undertaking filed in this consent proceeding.
7. This consent order is passed on this day, the 15<sup>th</sup> of September, 2009 and shall come into force with immediate effect.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

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