

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

**CONSENT ORDER  
ON THE APPLICATION SUBMITTED BY  
KOTAK SECURITIES LIMITED**

**IN THE MATTER OF  
KOTAK SECURITIES LIMITED  
(CONSENT APPLICATION NO. 1208 OF 2009)**

1. SEBI had conducted investigations into the dealings of Kotak Securities Limited (hereinafter referred to as “the applicant”) having Registered Office at Bakhtawar, 1<sup>st</sup> Floor, 229, Nariman Point, Mumbai- 400021, a broker (SEBI Regn Nos. INB230808130, INF230808130, INE230808130, INB010808153, INF011133230, INE011207251, INB200808136 and INE260808130) of the Bombay Stock Exchange Limited, MCX Stock Exchange Limited, the National Stock Exchange of India Ltd. and OTC Exchange of India. The investigations, *prima facie*, revealed that applicant has violated Clauses A(2), A(5) and B(7) of the Code of Conduct specified in Schedule II under Regulation 7 of the SEBI (Stock brokers and Sub-brokers) Regulations, 1992, read with Regulations 2(c)(5), 4(1) and 4(2) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings vide order dated January 10, 2005 and issued a show cause notice dated February 16, 2005. SEBI also initiated adjudication proceedings. The applicant submitted reply dated December 5, 2008 to the said show cause notice. Opportunities of personal hearing were granted before the enquiry officer on November 17, 2008 which was availed by the applicant.
3. While the above proceedings were in progress, the applicant, vide letter dated February 17, 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, vide its letter dated June 19, 2009, proposed revised consent terms. The High Powered Advisory Committee constituted by SEBI considered the

consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.2,00,000 (Rupees two lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 09, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.2,00,000 (Rupees two lakh only) towards settlement charges vide demand draft No.305621 dated September 18, 2009 drawn on Kotak Mahindra Bank Ltd. payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the adjudication and enquiry proceedings pending against the applicant in the matter of Kotak Securities 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 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 the Bombay Stock Exchange Limited, MCX Stock Exchange Limited, the National Stock Exchange of India Ltd. and OTC Exchange of India of which the applicant is a broker.
8. This consent order is passed on this day, the 7<sup>th</sup> day of October, 2009 and shall come into force with immediate effect.

M. S. SAHOO  
WHOLE TIME MEMBER

K. M. ABRAHAM  
WHOLE TIME MEMBER