

**CO/ISD/1666/175/2009**

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**KASAM HOLDINGS PRIVATE LIMITED**

**IN THE MATTER OF**

**DEALING IN FUTURES AND OPTIONS CONTRACTS**

**(CONSENT APPLICATION NO. 666/2008)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in dealings in the Futures & 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 Kasam Holdings Private Limited (PAN – AACCK3413C) with registered office at 60, Swastik Plaza, V.L. Mehta Road, Juhu, Mumbai- 400049, (hereinafter referred to as the 'applicant') bought and sold equal quantities of option contracts intraday in synchronization with others and thereby created false and misleading appearance of trading in the derivatives market. It was, therefore, alleged that the applicant violated Regulation 3 and 4(1) & (2) (a & b) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.
2. Pursuant to the said investigations, SEBI initiated proceedings under sections 11B, 11(4) and 11D of the SEBI Act, 1992 and adjudication under Chapter VI A of the SEBI Act, 1992 against the applicant. It issued an ad-interim ex parte order dated June 18, 2007 directing the applicant to cease and desist from indulging in futures and options contracts in the manner found irregular. The Adjudicating Officer issued a show cause notice dated October 5, 2007 to the applicant.
3. While the above proceedings were in progress, the applicant vide letter dated May 14, 2008 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. It proposed revised consent terms vide letter dated September 18, 2008. The High Powered Advisory Committee, constituted by SEBI, after deliberations, recommended the case for settlement on payment of Rs.10,00,000 (Rupees ten

lakh only) towards settlement charges, after noting that the applicant had already undergone cease and desist order since June 18, 2007. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated October 28, 2008.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.10,00,000 (Rupees ten lakh only) towards settlement charges vide demand draft No. 022559 dated 26/12/2008 drawn on IndusInd Bank, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the pending proceedings under sections 11B, 11 (4) and 11D of the SEBI Act, 1992 as well as the adjudication proceedings against the applicant and revokes the directions in the ad-interim order dated June 18, 2007 passed by SEBI in so far as it relates to the applicant.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including 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. This consent order is passed on this day, the 20<sup>th</sup> of February 2009 and shall come into force with immediate effect.

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

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