

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

MANU STOCK BROKING PVT. LTD.

IN THE MATTER OF

DEALINGS IN FUTURES AND OPTIONS CONTRACTS

(CONSENT APPLICATION NO. 209/2007)

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 Manu Stock Broking Pvt. Ltd., a trading member of NSE (SEBI registration No. – INB231269938 and INF231269938), (hereinafter referred to as the 'applicant') had bought and sold equal quantities of option contracts intraday in synchronization with others. It was, therefore, alleged that the applicant violated Regulation 3 and 4(1) & (2) (a & b) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and Regulation 7 read with Schedule II of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
2. Pursuant to the investigations, SEBI initiated proceedings under sections 11B, 11(4) and 11D of the SEBI Act, 1992 and adjudication proceedings under Chapter VI A of the SEBI Act, 1992 against the applicant. SEBI 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.
3. While the above proceedings were in progress, the applicant vide letter dated September 25, 2007 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 December 23, 2008. The High Powered Advisory Committee, constituted by SEBI, after deliberations, recommended the case for settlement. Accordingly, the applicant shall pay

Rs.5,00,000 (Rupees five lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated March 20, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.5,00,000 (Rupees five lakh only) towards settlement charges vide demand draft No. 009519 dated 24/03/2009 drawn on HDFC 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 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 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. A copy of this order shall be served on the National Stock Exchange of India Limited of which the applicant is a trading member.
8. This consent order is passed on this day, the 20th of April 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER