

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER
ON THE APPLICATION SUBMITTED BY
M/S. NEPTUNE FINCOT PVT. LTD.
IN THE MATTER OF
ORDER BOOK MANIPULATION
(CONSENT APPLICATION No. 321 OF 2007)

1. In view of sudden spurt in the prices of the shares of Cambridge Technology Enterprise Ltd. and Pochiraju Industries Ltd. on the day of their listing i.e. on February 07, 2007 and February 09, 2007, respectively, Securities and Exchange Board of India (SEBI) had investigated into the dealings in these shares. Investigations, *prima facie*, revealed that certain entities, including M/s. Neptune Fincot Pvt. Ltd. (hereinafter referred to as the 'applicant') had indulged in order book manipulation which portrayed misleading appearance of market in these shares, in violation of Regulation 4(2)(a), (b) and (g) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003.
2. Accordingly, SEBI, vide an ad interim ex-parte order dated April 26, 2007, directed the applicant to cease and desist from dealing in the shares in the manner described therein and also directed the applicant not to buy, sell or deal in securities, directly or indirectly, on the day of listing of any securities on the stock exchanges until further orders and initiated proceedings under Section 11B, 11(4) (b) and 11D of the SEBI Act, 1992 against the applicant. The applicant, vide letter dated May 24, 2007 filed written submissions. Subsequently, after giving an opportunity of hearing to the applicant, SEBI passed another Order on September 3, 2007 confirming its earlier ad-interim exparte order of April 26, 2007.

3. While further proceedings in the matter were in progress, the applicant, vide letter dated November 19, 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. The High Powered Advisory Committee considered the consent terms and, after deliberations, recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs. 1,00,000/- (Rupees one lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated September 15, 2008.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 1,00,000/- (Rupees one lakh only) vide demand draft No. 034096 dated September 17, 2008 drawn on Axis Bank Ltd, payable at Mumbai towards settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the said 11B, 11(4) (b) and 11D proceedings pending before SEBI against the applicant in the matter of Order Book Manipulation.
6. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing / 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;
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceedings.
7. This consent order is passed on this day the 14th November, 2008 and shall come into force with immediate effect.

T. C. NAIR
WHOLE TIME MEMBER

M. S. SAHOO
WHOLE TIME MEMBER

