

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

ETC NETWORKS LIMITED

(PAN: AAACZ0914D)

IN THE MATTER OF

ETC NETWORKS LIMITED

(CONSENT APPLICATION NO. 1803/2010)

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted investigation into the alleged irregularities in the trading of the shares of M/s ETC Networks Ltd., during the period January 01, 2001 to April 06, 2001, which is listed at Bombay Stock Exchange Limited. Investigations revealed that during the period of investigation, the scrip opened at Rs. 121.25 on January 01, 2001 and reached high of Rs. 129/- on January 02, 2001 and touched low of Rs. 22 on April 06, 2001. The volume in the scrip ranged from 25 shares to 27850 shares and the number of trades ranged from 6 to 2250.

2. Pursuant to the investigations, SEBI initiated proceedings under section 11B of Securities and Exchange Board of India Act, 1992 against the applicant. A show cause notice IVD/ID4/AM/AD/176066/2009 dated September 08, 2009 was issued under section 11B of the SEBI Act, 1992. It was alleged in the show cause notice that ETC Networks Limited (hereinafter referred to as 'the applicant'), funded the entity M/s Stellar Fiscal Services Pvt. Ltd. and indirectly tried to support the falling price of its scrip. Therefore, the applicant was alleged to have violated the provision of regulation 4(e) of SEBI (Prohibition of Fraudulent

and Unfair Trade Practices) Regulations, 1995. The applicant has not filed any reply to the show cause notice.

3. While the above proceedings were in progress, the applicant vide letter dated January 14, 2010 proposed settlement of the aforementioned proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant vides its letter dated March 26, 2010 proposed revised consent terms for the proceedings mentioned above. The High Powered Advisory Committee (HPAC) constituted by SEBI, considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs.15,00,000/- (Rupees Fifteen Lakh only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated June 10, 2010.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 15,00,000/- (Rupees Fifteen Lakh only) vide demand draft No.060023 dated June 17, 2010, drawn on AXIS Bank Ltd, Vile Parle Branch, Mumbai, payable at Mumbai vide its letter dated June 18, 2010.

5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings initiated against the applicant vide show cause notice IVD/ID4/AM/AD/176066/2009 dated September 08, 2009.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including 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. This consent order is passed on this 12th day of July 2010 and shall come into force with immediate effect.

s/d

Dr. K. M. ABRAHAM
WHOLE TIME MEMBER

s/d

PRASHANT SARAN
WHOLE TIME MEMBER