

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**M/s. BRUSHMAN (INDIA) LIMITED & ITS MANAGING DIRECTOR,
SHRI KAPIL KUMAR**

**IN THE MATTER OF
M/s. BRUSHMAN (INDIA) LIMITED**

(CONSENT APPLICATION NO.1180/2009)

1. Securities and Exchange Board of India (SEBI) conducted investigations into the trading of the scrip of M/s. Brushman (India) Limited (Brushman) during the period 30.1.2010 to 29.6.2001 to examine the unusual increase in share price of Brushman. It was observed that the price of Brushman increased at Delhi Stock Exchange from Rs.15 on 30.1.2001 to Rs.33.80 on 29.6.2001 constituting an increase of 125%. Investigation revealed that Brushman, acting through its Managing Director, Shri Kapil Kumar was instrumental in trading in its own share in nexus with M/s. Esha Securities Ltd. and M/s. Moongipa Securities Ltd. for creation of artificial market and rigging its scrip price. In view of the above, it was alleged that Brushman and Shri Kapil Kumar have violated provisions of Regulation 4(a), (b), (c) & (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with Regulation 4(2)(a) & (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Brushman and Shri Kapil Kumar (the applicants) were, therefore, called upon vide show cause notice dated February 8, 2005 as to why action should not be initiated against them under Section 11B of the SEBI Act, 1992 read with Regulation 11 & 12 of SEBI (Prohibition of Fraudulent and

Unfair Trade Practices) Regulations, 1995 and Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 for the aforesaid violations.

2. While the proceedings pursuant to the above mentioned show cause notice were in progress, the applicants vide application dated December 19, 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. The applicants proposed revised consent terms vide letter dated April 29, 2010, whereby the applicants undertook to pay Rs.10,00,000/- (Rupees Ten Lakh only) towards settlement charges. The consent terms proposed by the applicants were placed before the High Powered Advisory Committee which, after deliberations, recommended that the case may be settled on the terms proposed by the applicants. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated June 25, 2010.
3. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicants, the applicants have remitted a sum of Rs.10,00,000/- (Rupees Ten Lakh only) vide Demand Draft No.673294 dated July 6, 2010 drawn on IndusInd Bank Ltd., Mumbai.
4. In view of the above, it is hereby ordered that this consent order disposes of the said proceedings initiated against the applicants.
5. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against the applicants, if:
 - a. any representation made by the applicants in this consent proceeding is subsequently discovered to be untrue; or

b. the applicants breach any of the consent terms or undertakings
filed in this consent proceeding.

6. This consent order is passed on this day, the 13th of August, 2010.

K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER