

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATIONS SUBMITTED BY

PURSARTH TRADING COMPANY PRIVATE LIMITED

(PAN NO. AACCP2006L)

IN THE MATTERS OF

PRUDENTIAL PHARMACEUTICALS LTD. AND CEAT LTD.

(CONSENT APPLICATION NOS. 1159/2009 AND 1399/2009)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Prudential Pharmaceuticals Limited and CEAT Limited for separate investigation periods during 2000- 2001. The investigation *prima facie* revealed that Pursarth Trading Company Private Limited, having its registered office at Bhupen Chambers, Ground Floor, Unit I, Dalal Street, Fort, Mumbai- 400001, (hereinafter referred to as the 'applicant'), has violated the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 1995 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
2. Pursuant to the investigation, SEBI initiated separate adjudication proceeding against the applicant under Chapter VIA of SEBI Act, 1992 in the case of Prudential Pharmaceuticals Limited and also initiated proceedings in terms of sections 11(4) and 11B of the SEBI Act, 1992 read with regulation 11 of the SEBI (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations,

2003 in the case of CEAT Limited. Separate show cause dated February 27, 2007 and August 31, 2004 were issued to the applicant. The applicant replied to the show cause notice dated August 31, 2004 vide letter dated September 16, 2004. An opportunity of personal hearing was granted on July 10, 2006. Further to the show cause notice dated February 27, 2007 an opportunity of personal hearing was granted vide letter dated March 25, 2009.

3. While the above proceedings were in progress, the applicant vide letters dated June 26, 2009 and December 12, 2008 proposed settlement of the aforesaid proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide his letter dated June 11, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.2,00,000/- (Rupees Two Lakh only) towards settlement charges along with voluntary debarment from buying, selling or dealing in the securities market, whether directly or indirectly, for a period of 6 months, as proposed. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated January 21, 2010.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 2,00,000/- (Rupees Two Lakh only) towards settlement charges vide demand draft No.262648 dated February 03, 2010 drawn on HDFC Bank, payable at Mumbai. Also, an undertaking of 6 months voluntary debarment from buying, selling or dealing in the securities market, whether directly or indirectly, in the matters of CEAT Limited and Prudential Pharmaceuticals Limited was submitted by the applicant vide letter dated February 3, 2010.
5. In view of the above, it is hereby ordered that this consent order disposes of the said adjudication proceedings and proceedings under section 11 (4) and 11 B of the SEBI Act, 1992, pending against the applicant in the matters of Prudential Pharmaceuticals Limited and CEAT Limited. It is also ordered that the applicant

shall not buy, sell or deal in securities, in any manner whatsoever, directly or indirectly, for a period of six months from **March 1, 2010**.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or 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. A copy of this order shall be served on all the recognized Stock Exchanges and the Depositories to ensure that the applicant (Pan No. AACCP2006L) does not buy, sell or deal in the securities market in any manner whether directly or indirectly for a period of six months from **March 1, 2010** as ordered in Para 5 above.
8. This consent order is passed on this day, the 22nd of February, 2010 and shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER

PRASHANT SARAN
WHOLE TIME MEMBER