

CO/ IVD-8/283/2009

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATIONS SUBMITTED BY

ENPEE ENTERPRISES PRIVATE LIMITED
(Regn. No. INB 010973738)

IN THE MATTERS OF

NEDUNGADI BANK LIMITED
&
ZIGMA SOFTWARE LIMITED

(CONSENT APPLICATION NOs. 499 & 500 of 2008)

1. SEBI had conducted investigations into the alleged irregularities in the trading of shares of Nedungadi Bank Limited during the period January 15, 1998 – March 25, 1998. The investigations, *prima facie*, revealed that Enpee Enterprises Private Limited, a stock broker of Bombay Stock Exchange Ltd. (hereinafter referred to as ‘the applicant’) with SEBI Registration No. INB 010973738, had indulged with others in irregular trading of the shares of Nedungadi Bank Limited. It was, therefore, alleged that the applicant had violated the provisions of Regulation 4 (a) to (c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and Regulation 7 read with the Code of Conduct prescribed in Schedule II of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992.

2. Pursuant to the said investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant. The Enquiry Officer submitted a report dated June 29, 2007 recommending that the certificate of registration of the applicant be suspended for a period of one month. Thereafter, SEBI issued show cause notice no. IVD/ID-8/BM/SGS/NBL-1/98005/2007 dated July 05, 2007 to the applicant.

3. In the matter of Zigma Software Limited, SEBI had passed an order dated December 11, 2007 restraining the applicant from buying, selling, dealing or accessing the securities market in any manner for a period of one year. The applicant challenged the said order before the Securities Appellate Tribunal (SAT) in Appeal No. 06/2008 titled as Nilesh Popat (Director of the applicant) vs. SEBI. The appeal was admitted on January 16, 2008 and the operation of SEBI's order was stayed.

4. While the above proceedings were in progress, the applicant, vide letters dated July 25, 2007, January 01, 2008 and December 12, 2008 proposed settlement of the aforesaid proceedings through consent orders in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The High Powered Advisory Committee constituted by SEBI, considered the consent terms proposed by the applicant and, after deliberations, recommended the case for settlement on payment of Rs. 2,25,000/- (Rupees Two lakh twenty five thousand

only) towards settlement charges and undertaking to voluntarily remain out of the market for 12 months.

5. The Appeal No. 06/08 came up for hearing before SAT on August 03, 2009. The applicant submitted that it is willing to voluntarily remain out of the market for a period of 12 months and that it will not buy, sell or deal in securities during that period. It also submitted that for the sole purpose of settling the matter and without admitting or denying the charges, it has remitted an aggregate amount of Rs. 2,25,000/- (Rupees Two lakh twenty five thousand only) towards settlement charges vide Demand Draft No. 020098 dated May 07, 2009 drawn on Citibank payable at Mumbai. Accordingly, SAT disposed off the appeal.

6. In view of the above, after taking into account the period of 37 days of restraint already undergone by the applicant, (i.e. from 11.12.2007 to 16.01.2008), it is ordered that the applicant shall not buy, sell or deal in securities market in any manner, whether directly or indirectly, for a period of 10 months and 23 days from 6th October, 2009. This consent order disposes of the above two proceedings against the applicant.

7. A copy of this order shall be sent to all recognized Stock Exchanges and Depositories to ensure that the applicant (PAN No.AAACE4930G) does not buy, sell, or deal in securities market in any manner whether directly or indirectly for a

period of 10 months and 23 days from 6th October, 2009, as ordered in Para 6 above.

8. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or 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.

9. This consent order is passed on this day, the 1st of October 2009 and shall come into force with immediate effect.

M.S. SAHOO

WHOLE TIME MEMBER

K. M. ABRAHAM

WHOLE TIME MEMBER