

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**PINE TREE CONSULTANTS PVT LTD.**

**IN THE MATTER OF**

**ATLANTA LTD.**

**(CONSENT APPLICATION NO. 584/2008)**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had conducted investigations into the alleged irregularities in the allotment of shares in the Initial Public Offer (IPO) of Atlanta Ltd. under employee quota. The investigations, *prima facie*, revealed that Pine Tree Consultants Pvt. Ltd. (hereinafter referred to as "applicant") (PAN AADCP8816F) had cornered the shares of Atlanta Ltd. reserved for employees in collusion with certain persons in the IPO and made an unjust profit of Rs.9,91,626/- (Rupees nine lakh ninety one thousand six hundred and twenty six only) by selling the shares immediately on listing. It was, therefore, alleged that the applicant had violated Regulations 3(b) and 3(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

2. Pursuant to the investigations, SEBI passed an ad interim ex-parte order dated February 22, 2007 against the applicant, amongst others, under Sections 11(4) and 11B of the SEBI Act, 1992 read with Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, directing the appellant not to buy, sell or deal in securities of Atlanta Ltd. till further orders. The Depositories were further directed not to give effect to any transfer of shares of Atlanta Ltd. lying in the beneficial owner account of the applicant. The interim order was treated as show cause notice. The applicant submitted his reply vide letter dated March 8, 2007. An opportunity of personal hearing was also granted to the applicant on January 9, 2008. The Adjudicating

Officer of SEBI also issued a show cause notice dated July 16, 2008 to the applicant under SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The applicant filed replies vide letter dated July 31, 2008 and Jan 2, 2009 to the Show cause notice issued by AO.

3. While the above proceedings were in progress, the applicant 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. He proposed revised consent terms vide letter dated October 20, 2009. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicant and after taking into account the facts and circumstances of the case, recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs. 12,89,114 (Rupees twelve lakh eighty nine thousand one hundred and fourteen only) comprising of Rs. 9,91,626 (Rupees nine lakh ninety one thousand six hundred and twenty six only) being disgorgement of unjust profits made and Rs. 2,97,488 (Rupees two lakh ninety seven thousand four hundred and eighty eight only) being 30% of the unjust profits made, towards settlement charges. The said recommendations of the HPAC were accepted by SEBI and communicated to the applicant vide letter dated Dec 9, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 12,89,114 (Rupees twelve lakh eighty nine thousand one hundred and fourteen only) towards settlement charges vide Pay order dated December 21, 2009 issued by IDBI Bank in favour of SEBI payable at Mumbai.

5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings arising out of the interim order dated February 22, 2007 pending against the applicant under Sections 11(4) and 11B of the SEBI Act, 1992 as well as the Adjudication proceedings arising out of the show cause notice dated July 16, 2008 against the applicant.

6. This order is without prejudice to the right of SEBI to take enforcement action, including commencing/reopening of the pending proceedings 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 filed in this consent proceeding.

7. This consent order is passed on this day, the 8<sup>th</sup> of January, 2010 and shall come into force with immediate effect.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**