

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER

On the Application submitted by
Altius Fincap Markets Limited. (Formerly known as Capman Capital Markets Ltd)
In the matter of Aarti Drugs Ltd., and Havells India Ltd.
(SEBI/REGISTRATION NO. INB230804633)
PAN NO AAACC2071L

CO/IVD-3/1926/2010/AO/BM/101/2010

-
1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted investigations into the alleged irregular trading in the shares of Aarti Drugs Ltd and Havells India Ltd for the period April 2003 to March 2004. The investigation, *prima facie*, revealed that Altius Fincap Markets Ltd formerly known as Capman Capital Markets Ltd (hereinafter referred as 'Noticee') had indulged in synchronized and reversal of trades on behalf of its client with the same counterparty brokers/clients and circular trading was observed on most of the days where the time difference in the buy and sell orders placed by the Noticee were less than one minute and there was no change in beneficial ownership. Allegedly these trades resulted in creation of artificial volumes and gave misleading impression of trading in the scrip of the companies.
 2. Pursuant to the investigation, SEBI initiated adjudication proceedings against Noticee for the alleged violation of the provisions of regulations 4 (1), (2) (a), (b), (e), (g) and (n) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations (hereinafter referred to as 'PFUTP Regulations'), 2003 and regulation 7 read with clauses A(1) to A(5) of Code of Conduct for Stock Brokers as stipulated in schedule II of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 (hereinafter referred to as 'Broker Regulations') in the matter of trading in the shares of Aarti Drugs Ltd and, Havells India Ltd.
 3. Consequently, a Show Cause Notice No.EAD-5/VSS/RK/126950/2008 dated May 26, 2008 was issued by the previous Adjudicating Officer under rule 4 of SEBI (Procedure

for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, to show cause as to why an inquiry may not be conducted against the Noticee for violation of the above mentioned provisions of PFUTP Regulations and Broker Regulations and penalty not be imposed under section 15 HA and 15 HB of SEBI Act, 1992. The undersigned was subsequently appointed as the Adjudicating Officer vide order dated November 18, 2009 under section 15I of Securities and Exchange Board of India Act, 1992 read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

4. While the Adjudication Proceedings were in progress, the Noticee made an application dated March 16, 2010 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated 20th April, 2007 for Consent Order in respect of the aforesaid notice before SEBI. Subsequently, the Noticee vide its letter dated May 17, 2010 proposed revised consent terms of Rs.3,00,000/- (Rupees Three Lakh only) towards settlement charges in respect of the aforesaid proceedings before SEBI. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on July 01, 2010. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on the consent terms proposed by the Noticee, which has been approved by the panel of Whole Time Members of SEBI on August 03, 2010. Thereafter, SEBI vide letter dated August 9, 2010 conveyed the recommendations of the HPAC to the applicant and advised the applicant to pay in accordance with consent terms.
5. In terms of the proposal of the Noticee, for the sole purpose of settling the matter on hand, without admitting or denying the guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs3,00,000/- (Rupees Three Lakh only) vide Demand Draft No. 571234 dated August 23, 2010 drawn on Axis Bank Ltd Fort, Universal Insurance Building, Ground Floor, SIR P.M. Road, Fort, Mumbai-400001 towards settlement charges.
6. In view of above, it is hereby ordered that,

- i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992 and
 - ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. This consent order is passed on September 01, 2010 and shall come into force with immediate effect.
8. In terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticee and also to SEBI

Place: Mumbai

Barnali Mukherjee
Adjudicating Officer