

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

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY M/s. FRONTLINE CAPITAL SERVICES LTD.

**IN THE MATTER OF M/s. FLEX INDUSTRIES LTD., FCL TECHNOLOGIES AND
PRODUCTS LTD., FLEX ENGINEERING LTD.**

CO/ID-4/1115/12/2008

1. SEBI conducted an investigation into the alleged irregularities in the dealings in the scrips of M/s. Flex Industries Ltd., M/s. Flex Engineering Ltd. and FCL Technologies and Products Ltd. Pursuant to the investigation, enquiry proceedings were initiated against the applicant M/s. Frontline Capital Services Ltd., Stock Broker, National Stock Exchange and Delhi Stock Exchange and sub-broker of IKM Investor Services Ltd., member, Bombay Stock Exchange. The Enquiry Officer found that the applicant indulged in transactions on behalf of its clients that resulted in creation of artificial market in the above mentioned scrips. On the basis of the Enquiry Report a Show Cause Notice dated August 16, 2004 was issued to the applicant, requiring them to show cause as to why appropriate order as recommended by the Enquiry Officer should not be passed against them. The said enquiry proceedings are pending against the applicant.
2. The Applicant made an application dated August 24, 2007 and an affidavit of 'undertakings / waivers' in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Thereafter, vide letter dated October 11, 2007 the applicant proposed consent terms thereby agreeing to pay an amount of Rs. 8, 00,000/- (Rs. Eight Lakh Only) for settlement of the matter. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) and HPAC, after deliberation, recommended the case for settlement on the consent terms proposed by the applicant.

3. In terms of the applicant's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on part of the applicant to the finding of fact or conclusion of law, applicant has remitted a sum of Rs.8, 00,000/- (Rupees Eight Lac only) vide Demand Draft No. 032044 dated December 3, 2007 drawn on HDFC Bank, Mumbai, towards the terms of consent in the matter.

4. In view of the above, it is hereby ordered that:

- i) This consent order disposes off the said enquiry proceedings pending before SEBI against the applicant in the matter of M/s. Flex Industries Ltd., M/s. Flex Engineering Ltd. and FCL Technologies & Products Ltd., and
- ii) Passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement action including commencing/ re-opening of the pending proceedings against the applicant if
 - 1. Any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.
 - 2. The applicant has breached any of the clauses / conditions of undertakings/ waivers filed during the current consent proceedings.

This consent order is passed on this day, January 04, 2008 and shall come into force with immediate effect.

G. Anantharaman
Whole Time Member

Dr. T. C. Nair
Whole Time Member