

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CONSENT ORDER
ON THE APPLICATION SUBMITTED BY
SHRI MANISH INNANI
IN THE MATTER OF
M/s. BALLARPUR INDUSTRIES LTD.
(CONSENT APPLICATION NO. 269/2007)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of M/s. Ballarpur Industries Ltd. for the period November 01, 2006 - June 13, 2007. The preliminary investigations indicated that Shri Manish Innani (hereinafter referred to as 'applicant') had allegedly engaged in customized front running in the shares of M/s. Ballarpur Industries Ltd.
2. Pending further investigations, SEBI initiated proceedings under Section 11B, 11(4)(b) and 11D of the SEBI Act, 1992, against the applicant. Vide an interim Order dated October 1, 2007, it directed the applicant to cease and desist from indulging in any trading activity which would amount to violation of Section 12A (a), (b) and (c) of the SEBI Act, 1992 and Regulation 3(a) to (d) and Regulation 4(2)(q) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market), Regulations 2003. It also directed the applicant to deposit the alleged unlawful gains made by him from irregular transactions, with the National Stock Exchange of India Limited (NSE), which he complied with.

3. While further proceedings in the matter were in progress, the applicant, vide letter dated November 2, 2007, proposed settlement of the pending proceedings through a consent order in terms of SEBI Circular No. EFD/Cir-1/2007 dated April 20, 2007. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) and the HPAC, after deliberations, recommended the case for settlement on disgorgement of the alleged ill-gotten gains amounting to Rs. 12,29,000/- (Rupees twelve lakh and twenty nine thousand only) deposited by the applicant with NSE and payment of an additional amount of Rs. 6,50,000/- (Rupees six lakh and fifty thousand only) towards settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated August 4, 2008.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 6,50,000/- (Rupees six lakh and fifty thousand only) vide Demand Draft No. 428628 dated August 8, 2008 drawn on HDFC Bank, Mumbai. He has also agreed to forego the amount of Rs. 12,29,000/- (Rupees twelve lakh and twenty nine thousand only) deposited by him with NSE. Thus, he has paid a total amount of Rs.18,79,000/- (Rupees eighteen lakh and seventy-nine thousand only) plus the interest accrued on the deposit with NSE, towards settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings under Section 11B, 11(4) (b) and 11D of the SEBI Act, 1992 pending before SEBI against the applicant in the matter of M/s. Ballarpur Industries Ltd.

6. A copy of this order shall be sent to NSE with an advice to transfer Rs.12,29,000/- (Rupees twelve lakh and twenty nine thousand only) plus interest accrued thereon to SEBI within 15 days of receipt of this order.
7. This order is without prejudice to the right of SEBI to take enforcement action, including commencement / reopening of the pending proceedings against the applicant, if:
 - a. any representation made by the applicant in this consent proceedings is subsequently discovered to be untrue.
 - b. the applicant breaches any of this consent terms or undertakings filed in this consent proceedings.
8. This consent order is passed on this day, the 15th of October, 2008 and shall come into force with immediate effect.

T. C. NAIR
WHOLE TIME MEMBER

M. S. SAHOO
WHOLE TIME MEMBER