

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA,

MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

VENUS CAPITAL MANAGEMENT INC., ITF MAURITIUS

AND VACUF LIMITED

IN THE MATTER OF

IRREGULARITIES RELATING TO NISSAN COPPER LTD.

1. Upon noticing abnormal price rise in the share of Nissan Copper Limited (NCL), Securities and Exchange Board of India ("SEBI") launched an investigation into dealings on the first date of listing of shares of NCL. Simultaneously, SEBI passed an ad interim ex parte Order dated January 17, 2007, inter alia, directing NSE and BSE to withhold the profits/gains of the applicants in a separate escrow account. NSE and BSE in compliance with the said Order of SEBI withheld an amount of Rs.2,35,58,673.55 (Rupees Two Crore Thirty Five Lakh Fifty Eight Thousand Six Hundred Seventy Three and Fifty Five Paise Only).

2. The investigations prima facie found that the applicants herein applied in the QIB quota allegedly with the intention of exiting out of NCL on the first day of listing. It appears that buying support was given to the applicants to exit out of NCL on the first day of listing through structure transactions as per the pre-arrangement between the counterparties. This act of applicants appears to have distorted the prices in the market and the applicants seem to have benefited from this.

3. On completion of the investigation, SEBI initiated Enquiry proceedings under Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and imposing Penalty) Regulations, 2002 (Enquiries Regulations) against the

applicants for the alleged violation of the provisions of the SEBI Act, 1992 and Regulation 3(a) and (c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. On completion of the Investigation SEBI also issued a show cause notice dated November 6, 2007 under Sections 11(4) and 11B of the SEBI Act, 1992. The said proceedings are pending against the applicants.

4. In the meanwhile, the applicants, vide letter dated January 29, 2008, proposed settlement of the pending proceedings through a consent order. The consent terms proposed by the applicants were placed before the High Powered Advisory Committee (HPAC) and the HPAC after considering the fact that it was the first regulatory intervention during the course of operations of the applicants as FII, recommended that, the case may be settled if the applicants were agreeable to pay the amount withheld pursuant to SEBI Order dated January 17, 2007 i.e., Rs. 2,35,58,673.55 (Rupees Two Crore Thirty Five Lakh Fifty Eight Thousand Six Hundred Seventy Three and Fifty Five Paise Only) plus the interest accrued thereon till date of transfer to SEBI as settlement charges. The said terms of settlement were communicated to the applicants vide letter dated August 4, 2008.

5. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicants to the finding of fact or conclusion of law, the applicants have agreed that the amount withheld i.e., Rs. 2,35,58,673.55 (Rupees Two Crore Thirty Five Lakh Fifty Eight Thousand Six Hundred Seventy Three and Fifty Five Paise Only) along with the interest accrued there on as mentioned above may be transferred to SEBI as settlement charges towards the terms of the consent in the matter.

6. In view of the above, it is hereby ordered that this consent order disposes of the proceedings initiated vide show cause notice dated November 6, 2007 against the applicants issued under Sections 11(4) and 11B of SEBI Act, 1992. and the Enquiry proceedings initiated under Enquiry Regulations.

7. On issuance of this Order by SEBI, the NSE and BSE shall transfer to SEBI Rs. 2,35,58,673.55 (Rupees Two Crore Thirty Five Lakh Fifty Eight Thousand Six

Hundred Seventy Three and Fifty Five Paise Only) plus the interest accrued thereon till the date of transfer.

8. This is without prejudice to the right of SEBI to take enforcement action including commencing / reopening of the pending proceedings against the applicant, if SEBI finds that :

a. any representations made by the applicants in the consent proceedings are subsequently discovered to be untrue.

b. the applicants have breached any of the clauses / conditions of undertakings/waivers filed during the current consent proceedings.

9. This consent order is passed on this the 14th day of August, 2008 and shall come into force with immediate effect.

T.C.Nair

Whole Time Member

M.S.Sahoo

Whole Time Member