

Consent Order against M/s. Fincap Portoflio Ltd. in the matter of M/s Alps Industries Ltd.

Jan 30, 2008 | Orders : Settlement Order

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY
M/S FINCAP PORTFOLIO LIMITED

IN THE MATTER OF
M/S ALPS INDUSTRIES LIMITED

CO/ID-1/1053/ 18 /2008

1. SEBI conducted investigations into the alleged irregularities in the trading in the scrip of Alps Industries Ltd. formerly known as Alps Textiles Ltd. (hereinafter referred to as 'Company'). Pursuant to the investigations, enquiry proceedings under Regulation 13 (1) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalties) Regulations, 2002 were initiated against the applicant, M/s Fincap Portfolio Limited – Member, National Stock Exchange of India Limited for allegedly creating artificial volatility in the scrip which distorted market equilibrium of the shares and also for alleged synchronized, self trades and cross deals in connivance with other broker members and a large number of connected clients and for alleged violations of the provisions of Regulations 4 (a), (b), (c) and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities) Regulations, 1995 and also Clauses A (1) to (5) of the Code of Conduct for Stock Brokers under Regulation 7 of SEBI (Stock Broker and Sub-brokers) Regulations, 1995. Accordingly, a show cause notice dated October 18, 2004 was issued to the applicant.

2. The Applicant made an application dated July 30, 2007 along with an affidavit of "undertakings and waivers" for settlement of the matter in terms of SEBI Circular EFD/Cir.-1/2007 dated 20th April, 2007. Thereafter, the applicant without admitting or denying the guilt, vide letter dated September 18, 2007 proposed revised consent terms submitting that "we propose to offer Rs. 10, 00,000/- (Rupees Ten Lacs only) towards the consent terms in the matter". The consent terms proposed by the applicant were accepted by the High Powered Advisory Committee (HPAC) which after deliberations recommended the case for settlement on the consent terms proposed by the applicant.

3. SEBI after carefully examining the facts and circumstances of the case and the recommendations of the HPAC, accepted the revised terms of consent proposed by the applicant as recommended by HPAC. Accordingly, the Applicant vide Demand Draft No. 031561 dated November 12, 2007 drawn on HDFC Bank, Mumbai, remitted a sum of Rs. 10, 00,000/- (Rupees Ten Lacs only) towards the terms of consent in the matter.

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

i) this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant in the matter of Alps Industries Limited, and

ii) passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the applicant, if SEBI finds that –

i. any representations made by the Applicant in the consent proceedings are subsequently discovered to be untrue.

ii. the applicant has breached any of the clauses / conditions of undertakings / waivers filed in the current proceedings.

This consent order is passed on this day the January 30, 2008 and shall come into force with immediate effect.

G. Anantharaman
Whole Time Member

T. C. Nair
Whole Time Member

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