

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

WTM/VKC/MIRSD/DPS-1/ 107 /07

ORDER

**(UNDER SECTION 11(1), SECTION 11(4) (b), AND SECTION 11B OF
THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992)**

IN THE MATTER OF M/S ABHIPRA CAPITAL LTD.

Date of Hearing: October 26, 2007

PRESENT;

For the Noticee: **Shri V. D. Agrawal, Chairman, ACL**
 Shri Rajeev Kumar, Advocate
 Shri Rajesh Tiwari, Director, ACL

For SEBI: **Shri P. K. Kuriachen, Chief General Manager**
 Shri Gyanendra Niraj, Manager, SEBI
 Shri M. Rahaz, Legal Officer, SEBI

1. By an ex-parte interim order dated August 17, 2007 SEBI issued the following directions pending enquiry proceedings against Abhipra Capital Ltd. (hereinafter referred to as 'ACL') for the detailed reasons stated therein:

- i) *The ACL shall not open any new "Trading as well as DP accounts" and shall not undertake any new agreement as RTI/RTA till completion of the pending Enquiry Proceedings and passing of the final order by SEBI upon the recommendations of the Enquiry Officer.*

ii) As it is evident from the findings of the inquiry that sales proceeds of 449 shares of ACC and also the sales proceed of shares of 29 companies were not paid to the complainant, NSE is advised to deduct the amount equivalent to the current market price of the above mentioned shares from the deposits of the ACL and retain the same in a separate account till the full and final settlement of the matter.

iii) The Enquiry Officer appointed by Board shall ensure the speedy completion of the enquiry proceedings and submit the Enquiry Report with its recommendations to the Board at the earliest. The Board after receiving of the Enquiry Report shall take all measure to pass its final order as early as possible. ACL is also directed to co-operate with the concerned authorities for early completion of the enquiry proceedings.

2. ACL was granted 30 days time to approach SEBI to show cause as to why the directions passed in the order should not be continued till the completion of pending enquiry proceedings and passing of final order thereon. ACL availed an opportunity of inspection of preliminary enquiry report, letters of complaints, letters of NSE and other documents and filed its written submissions vide its letter dated September 12, 2007. Further an opportunity of personal hearing before me was granted to ACL on October 26, 2007.

3. ACL denied the allegations made by the complainants and stated that they have paid the amount due to Johari's and the other complaint is pending in arbitration. ACL stated that a complaint was filed against the directors of Tag Finvest Pvt Ltd (TFPL) namely Mr. Rajesh Bhalla and Pawan Jain, wherein Hon'ble Court of Sessions Judge, Gwalior vide his order dated January 21, 2004 directed the directors to settle all the accounts within two months time. ACL submitted that they will extend full co-operation with the concerned authority of the Board for submission of all the information required and take all necessary steps to resolve all issues raised by SEBI. ACL further

submitted that their business have already suffered heavily for almost three months now and have been causing immense difficulties and hardships to their prospective as also existing clients in view of the restrictions imposed on them for opening new trading as well as DP accounts and entering into new agreements as RTI / STA.

4. I have carefully considered the submissions made by ACL vide its letter dated September 12, 2007 and September 26, 2007 and the submissions made during personal hearing.

5. I have noted that there are serious charges against ACL of defaulting to the clients and failure to redress investor grievances. Though ACL has vehemently denied the charges, the prima facie findings have not been completely displaced. ACL has stated that it had paid the amount to Johari's with regard to 449 ACC shares. However, the complainant has stated that he has not received the payment. Further, ACL has not satisfactorily explained its position with regard to the trades done through TFPL in 29 other scrips. In my view this needs to be further examined in detail. Meanwhile the direction at para 5.1 (ii) shall continue. As the same serves the objective of immediate and urgent interim action in the matter, I am of the view that stopping total prospective business of broking, DP and RTI/ STA operations may not be required.

6. In view of the forgoing I am of the view that the direction in the ad-interim order dated August 17, 2007, ACL need to be confirmed except para 5.1 (i) of the ex-parte interim order dated August 17, 2007 and accordingly I hereby confirm the same excepting for the modifications directed hereinafter. Taking note of the pleadings that their business have already suffered heavily for almost three months now and have been causing immense difficulties and hardships to their prospective as also existing clients in view of the restrictions imposed on them for opening new trading as well as DP accounts and entering

into new agreements as RTI / STA, I hereby modify by revoking the direction at para 5.1 (i) of the ex-parte interim order dated August 17, 2007. Further I hereby direct that ACL to submit documentary evidences for settlement of the dues of Johari's to SEBI within 30 days.

7. The above direction shall take effect immediately.

8. The aforesaid directions are without prejudice to the enquiry proceedings initiated against ACL and any other action that may be initiated against them. It is also clarified that the findings recorded in the ex-parte interim order read with this order are prima facie findings and the Enquiry Officer shall independently conduct his enquiry without influenced by the said findings.

-sd-

PLACE: MUMBAI

V.K.CHOPRA

DATE : 29.10.2007

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA