

## SECURITIES AND EXCHANGE BOARD OF INDIA

### DIRECTION UNDER SECTION 11 B OF SEBI ACT, 1992 READ WITH REGULATION 11 OF SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 1995 AGAINST THE DIRECTORS OF ERSTWHILE MEMBER NSE M/S SHAILBHADRA SECURITIES LTD.

CO/106/ISD/08/2003

#### 1.0 Background

1.1 On observing sudden spurt in the trading volumes in the scrip of M/s Zodiac Clothing Company Ltd. (Zodiac) National Stock Exchange (NSE) conducted investigations into the trading in the scrip from July 05, 2000 to August 22, 2000 and submitted its report to SEBI on January 10, 2001. It was observed in the NSE report that M/s. Vivenasri Financial Services Ltd. was the major net seller and M/s. Harsh Pranav Securities Pvt. Ltd. and M/s. Newfin Financial Services Pvt. Ltd. were major net buyers during the said period. It was also observed that these clients were associated with one another.

1.2 NSE conducted another investigations into the trading in the scrip of Zodiac for the period October 25, 2000 to February 27, 2001. In its report submitted to SEBI on April 30, 2002, NSE observed that the three clients M/s. Vivenasri Financial Services Ltd. (VFSL), M/s. Newfin Financial Services Pvt. Ltd. (NFSPL) and M/s. Harsh Pranav Securities Pvt. Ltd. (HPSPL) were the major traders in the scrip during the said period and they have executed structured deals and cross deals among themselves.

#### 2. INVESTIGATION BY SEBI

2.1 In the light of the findings of the aforesaid investigations conducted by NSE, Securities And Exchange Board of India (hereinafter referred to as the SEBI) conducted its own investigation into the affairs relating to buying, selling and dealings in the shares of Zodiac for alleged market manipulation in the scrip during July 05, 2000 to February 27, 2001.

#### 3.0 FINDINGS OF INVESTIGATION BY SEBI

1. Zodiac is having its registered office at Mumbai and the shares of the company are listed on Mumbai Stock Exchange (BSE), National Stock Exchange (NSE) and Ahmedabad Stock Exchange (ASE).
2. During the period from July 05, 2000 to February 27, 2001 (hereinafter referred to as the "relevant period") the scrip Zodiac recorded a volume of 4,05,551 shares on BSE and 14,55,151 shares on NSE.
3. During the said period, the closing price of the scrip touched a low of Rs. 68.60 on August 04, 2000 and a high of Rs. 95.00 on September 12, 2000 on BSE whereas at NSE the scrip touched the lowest price of Rs. 67.40 on August 08, 2000 and a high of Rs. 96.15 on September 06, 2000.

3.4 On the basis of the trading details obtained from M/s Shailbhadra Securities Ltd., then broker member of NSE (hereinafter referred to as Broker), it is observed that broker has done trading in the scrip of Zodiac on NSE for its clients namely M/s Vivenasri Financial Services Ltd. (VFSL), M/s Newfin Financial Services Pvt. Ltd. (NFSPL) and M/s Harsh Pranav Securities Pvt. Ltd. (HPSPL). The details of the trading done by these clients are as under :

| Client Name                       | Gross Purchase | Gross Sales   | Gross Volume   | Net Pur / ( Net Sale) |
|-----------------------------------|----------------|---------------|----------------|-----------------------|
| Vivenasri Financial Services Ltd. | 165700         | 154500        | 320200         | 11200                 |
| Newfin Financial Services P Ltd.  | 238567         | 0             | 238567         | 238567                |
| Harsh Pranav Securities Pvt. Ltd. | 802360         | 0             | 802360         | 802360                |
| <b>Total</b>                      | <b>1206627</b> | <b>154500</b> | <b>1361127</b> | <b>1052127</b>        |

3.5 From the details gathered during the investigations, it was observed that VFSL, NFSPL and HPSPL are having common directors and are thus associate entities and therefore stated hereinabove as one group.

3.6 The total market volume traded in the said scrip at NSE during the relevant period was 14,55,151 shares. The Broker purchased shares in the said scrip for the above mentioned three entities viz. VFSL, NFSPL and HPSPL totaling to 12,06,627 shares and sold 1,54,500 for VFSL during the said period.

7. From the order log-trade log details in the scrip of Zodiac, it is observed that the Broker had executed structured deals on NSE for its clients namely NFSPL and HPSPL. It was further observed that the Broker had purchased 8,02,360 shares of Zodiac for HPSPL out of which 187800 shares were executed as structured deals and always the counter party was one of the above mentioned clients. Some of the structured deals are given below :

a) On July 12, 2000, VFSL sold 60000 shares of Zodiac on NSE, which was the total volume of the said shares on NSE on that date, through B R Khandahar Share & Stock Brokers P Ltd. (member NSE) out of which 59500 shares were purchased by HPSPL by way of 6 Structured deals @ Rs. 74.5 to 76.00 through the Broker as shown below.

| Settlement No. | Trade Number    | Date      | Buy Member            | Buy Client | Sell Member                          | Sell Client | Trade Price | Trade Qty |
|----------------|-----------------|-----------|-----------------------|------------|--------------------------------------|-------------|-------------|-----------|
| 2000029        | 200007120576926 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 76.00       | 10000     |
| 2000029        | 200007120578017 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 75.50       | 10000     |
| 2000029        | 200007120579145 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 75.00       | 10000     |
| 2000029        | 200007120579146 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 74.50       | 10000     |
| 2000029        | 200007120579148 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 74.00       | 9500      |
| 2000029        | 200007120580441 | 12-Jul-00 | Shalibhadra Sec. Ltd. | 9216       | B R Khandhar Share & Stk Brokers P L | 19902       | 74.50       | 10000     |

It may be mentioned here that 9216 was the client code of HPSPL and 19902 was the client code of VFSL.

b) On August 02, 2000, 25100 shares of Zodiac were traded on NSE. Out of which VFSL sold 25,000 shares through Integrated Master Securities Pvt. Ltd. (member NSE) and HPSPL bought these shares through the Broker by way of structured deal @ Rs. 72.50 and 73.00 as shown below:

| Settlement No. | Trade Number    | Date     | Buy Member            | Buy Client | Sell Member               | Sell Client | Trade Price | Trade Qty |
|----------------|-----------------|----------|-----------------------|------------|---------------------------|-------------|-------------|-----------|
| 2000032        | 200008020053792 | 2-Aug-00 | Shalibhadra Sec. Ltd. | CLI        | Integrated Master Sec P L | V041        | 72.50       | 5000      |
| 2000032        | 200008020055155 | 2-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 73.00       | 500       |
| 2000032        | 200008020055157 | 2-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 73.00       | 4400      |
| 2000032        | 200008020068622 | 2-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 72.50       | 1000      |
| 2000032        | 200008020071493 | 2-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 72.50       | 9000      |
| 2000032        | 200008020072489 | 2-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 72.50       | 5100      |

c) On August 18, 2000, 15,100 shares of Zodiac were traded on NSE. Out of these VFSL sold 15,000 shares through Integrated Master Securities Pvt. Ltd. (member NSE) and HPSPL bought through the Broker by way of structured deal as shown below:

| Settlement No. | Trade Number    | Date      | Buy Member            | Buy Client | Sell Member               | Sell Client | Trade Price | Trade Qty |
|----------------|-----------------|-----------|-----------------------|------------|---------------------------|-------------|-------------|-----------|
| 2000034        | 200008180554514 | 18-Aug-00 | Shalibhadra Sec. Ltd. | N003       | Integrated Master Sec P L | V041        | 72.00       | 5000      |
| 2000034        | 200008180555239 | 18-Aug-00 | Shalibhadra Sec. Ltd. | N003       | Integrated Master Sec P L | V041        | 72.25       | 5000      |
| 2000034        | 200008180555567 | 18-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 72.40       | 5000      |

d) On August 21, 2000, 10,200 shares of Zodiac were traded on NSE. Out of these, VFSL sold 10,000 shares through Integrated Master Securities Pvt. Ltd. (member NSE) and HPSPL bought through the Broker by way of structured deal as shown below :

| Settlement No. | Trade Number    | Date      | Buy Member            | Buy Client | Sell Member               | Sell Client | Trade Price | Trade Qty |
|----------------|-----------------|-----------|-----------------------|------------|---------------------------|-------------|-------------|-----------|
| 2000034        | 200008210294790 | 21-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 73.00       | 2500      |
| 2000034        | 200008210295819 | 21-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 73.50       | 2500      |
| 2000034        | 200008210295820 | 21-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 74.00       | 2500      |
| 2000034        | 200008210295821 | 21-Aug-00 | Shalibhadra Sec. Ltd. | 9216       | Integrated Master Sec P L | V041        | 74.50       | 2500      |

e) On October 25, 2000, 24050 shares of Zodiac were traded on NSE. Out of these NFSPL sold 23,750 shares through Canara Securities Ltd. (member NSE) and HPSPL bought through the Broker company by way of structured deal @ Rs. 73.40 and Rs. 73.50 as shown below :

| Day Date  | Trade Number    | Trade Qty | Trade Price | Buy TM Name           | Buy Client Name | Sell TM Name | Sell Client Name |
|-----------|-----------------|-----------|-------------|-----------------------|-----------------|--------------|------------------|
| 25-Oct-00 | 200010250273980 | 10000     | 73.50       | Shalibhadra Sec. Ltd. | Harsh           | Canara S     | Newfin           |
| 25-Oct-00 | 200010250275244 | 10000     | 73.40       | Shalibhadra Sec. Ltd. | Harsh           | Canara S     | Newfin           |
| 25-Oct-00 | 200010250276591 | 3750      | 73.40       | Shalibhadra Sec. Ltd. | Harsh           | Canara S     | Newfin           |

f) On January 31, 2001, 35,205 shares of Zodiac were traded on NSE. Out of these, VFSL sold 15,000 shares through Namah Capital Resources Ltd. (member NSE) and HPSPL bought through the Broker by way of structured deal @ Rs. 73.40 as shown below:

| Day Date  | Trade Number    | Trade Time | Trade Qty | Trade Price | Buy TM Name           | Buy Client Name | Sell TM Name  | Sell Client Name |
|-----------|-----------------|------------|-----------|-------------|-----------------------|-----------------|---------------|------------------|
| 31-Jan-01 | 200101310870407 | 15:16:12   | 15000     | 73.40       | Shalibhadra Sec. Ltd. | Harsh           | Namah Capital | Viv              |

g) Similarly, the Broker purchased 2,38,567 shares of Zodiac for NFSPL out of which 6,200 shares were executed as structured deal wherein the counter party was one of the above mentioned client company as shown below :

On August 14, 2000, 6500 shares of Zodiac were traded on NSE. Out of these, VFSL sold 6200 shares through Ghalla Bhansalli Stock Brokers Pvt. Ltd. (member NSE) and NFSPL bought through Broker by way of structured deal @ Rs. 73.30 to 73.50 as shown below :

| Settlement No. | Trade Number | Date | Buy Member | Buy Client | Sell Member | Sell Client |  |  |
|----------------|--------------|------|------------|------------|-------------|-------------|--|--|
|----------------|--------------|------|------------|------------|-------------|-------------|--|--|

|         |                 |           |                       |      |                 |    | Trade Price | Trade Qty |
|---------|-----------------|-----------|-----------------------|------|-----------------|----|-------------|-----------|
| 2000033 | 200008140264855 | 14-Aug-00 | Shalibhadra Sec. Ltd. | 9216 | Ghalla Bhansali | YY | 73.50       | 2000      |
| 2000033 | 200008140389637 | 14-Aug-00 | Shalibhadra Sec. Ltd. | 9216 | Ghalla Bhansali | YY | 73.30       | 2000      |
| 2000033 | 200008140390243 | 14-Aug-00 | Shalibhadra Sec. Ltd. | 9216 | Ghalla Bhansali | YY | 73.45       | 2200      |

3.8 It is also observed during the investigation that the Broker had executed the trades in Zodiac during the relevant period, for group companies namely NFSL and HPSP (having common directors) which resulted in structured deals and that the Broker was instrumental in allowing such deals.

3.9 From the order log-trade log details it is observed that the Broker had executed cross deals on NSE for the clients NFSPL and VFSL as shown below :

a) On November 9, 2000, 10,150 shares of Zodiac were traded on NSE. Out of these, Broker purchased 10,000 shares for NFSPL and sold 10,000 shares to VFSL, a group company of NFSL, executing a cross deal @ Rs. 80.50 -81.00, as shown below :

| Day Date | Trade Number    | Trade Time | Trade Qty | Trade Price | Buy TM Name           | Buy Client Name | Sell TM Name          | Sell Client Name |
|----------|-----------------|------------|-----------|-------------|-----------------------|-----------------|-----------------------|------------------|
| 9-Nov-00 | 200011090529117 | 14:40:10   | 5000      | 81.00       | Shalibhadra Sec. Ltd. | Newfin          | Shalibhadra Sec. Ltd. | Viv              |
| 9-Nov-00 | 200011090536565 | 14:45:11   | 5000      | 80.95       | Shalibhadra Sec. Ltd. | Newfin          | Shalibhadra Sec. Ltd. | Viv              |

b) On 10<sup>th</sup> November 2000, 25,010 shares of Zodiac were traded on NSE. Out of these, the Broker purchased 25,000 shares for NFSPL and sold 24,910 shares to VFSL, a group company of NFSL which were executed as cross deal for 24,910 shares @ Rs. 79.00 -81.00 as shown below :

| Day Date  | Trade Number    | Trade Time | Trade Qty | Trade Price | Buy TM Name           | Buy Client Name | Sell TM Name          | Sell Client Name |
|-----------|-----------------|------------|-----------|-------------|-----------------------|-----------------|-----------------------|------------------|
| 10-Nov-00 | 200011100665405 | 15:24:39   | 15000     | 81.00       | Shalibhadra Sec. Ltd. | Newfin          | Shalibhadra Sec. Ltd. | Viv              |
| 10-Nov-00 | 200011100675449 | 15:28:05   | 9910      | 79.00       | Shalibhadra Sec. Ltd. | Newfin          | Shalibhadra Sec. Ltd. | Viv              |

3.10 The Broker thus found to be a party to the irregular trades of its clients which were not intended to effect the transfer of beneficial ownership but were intended to operate only as a device to cause fluctuations in the market. These trades were not genuine trade transactions and hence I find that the Broker created a false and misleading appearance of trading in the scrip in violation of the provisions of Regulation 4 (a), (b), (c) and (d) of the SEBI (SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 (hereinafter referred to as the "said Regulations").

11. It was also noted during the investigations that NSE declared the Broker as a defaulter. Pursuant to this, the certificate of registration of the Broker was cancelled by SEBI on April 30, 2001.

#### 4.0 SHOW CAUSE NOTICE

1. On the basis of the aforesaid finding of the Investigations conducted by SEBI, a detailed show cause notice dated April 28, 2003, was issued to Shri Hemendra V. Shah, Chairman, Shri Rahul H Shah and Ms. Nimisha H Shah, Directors of M/s. Shalibhadra Securities Ltd., the erstwhile broker member of NSE, as the directors of a company are responsible for the acts of omissions of the said company.

4.2 Vide said show cause notice these persons were directed to show cause as to why appropriate direction under Regulation 11 of the Regulations read with Section 11(4) and 11B of the Securities and Exchange Board of India Act, 1992, including restraining them from accessing the securities market and prohibit them from buying, selling or dealing in the securities market in any manner whatsoever for a particular period should not be passed.

#### 5.0 REPLY TO THE SHOW CAUSE NOTICE

5.1 Pursuant to the aforesaid show cause notice, Shri Hemendra V. Shah, Chairman, of the erstwhile member broker submitted his reply vide his letter dated May 12, 2003. The submissions made in this reply are as under :

- a. Shri Hemendra V Shah, was looking after the day to day work of the company.
- b. It is true that there is spurt in the trading volume in the scrip of Zodiac in the period of July 5, 2000 to August 22, 2000 and also spurt in price.
- c. The main transaction took place between broker and M/s.Vivenasri Financial Services Ltd or M/s. Harsha Pranav Securities Pvt Ltd or M/s.New Fin Financial Services Pvt Ltd.
- d. These are group companies and they have a common Director. Mr. G S Shridhar, Chartered Accountant practicing at Hyderabad, is the key person behind all these companies. He was the brain behind all these structured and cross deals.
- e. Shri Hemendra V Shah had informed the concerned investigation officer at the time of his personal hearing that he was the victim of all these transactions. Shri Shah had no other option because he was getting his pay-in amount only through these kind of structured deals.
- f. These people have cheated the broker and ran away without making payment. This loss was beyond their capacity to bear and forced the broker to default at NSE.
- g. The broker and its directors have suffered heavy financial loss because of these people.
- h. It was not the intention of the broker/directors to fluctuate the price in the market. Also there was no intention to create false and misleading appearance of trading in the scrip by them. Rather they became the victim of the transaction. Out of these transactions, they have not taken any kind of benefit. On the contrary, the clients mentioned in the show cause notice did not make the payment to them and put them in heavy loss.
- i) The Broker/director requested not to take any harsh step on them.

5.2 Shri Rahul H Shah and Ms. Nimisha H Shah vide their letter dated May 8, 2003 submitted that they have resigned from the directorship of the broker entity in the year 2000. They further submitted that they were only statutory directors and day to day work of the broker entity was looked by Shri Hemendra Shah and as such they were not aware of any kind of transaction. It was further submitted that from the date of their resignation they are not connected in any kind of activity of capital market and they have not helped in any kind of irregular trading of clients mentioned in the show cause notice and requested SEBI not to punish them. They further undertook to take care in all future deals in the capital market.

## **6.0 PERSONAL HEARING :**

1. Before taking a final view in the matter, in compliance of the principals of Natural Justice, personal hearing before me was granted to Shri Hemendra V. Shah, Shri Rahul H Shah and Ms. Nimisha H Shah Hamendra Von 12.06.03.

## **7. SUBMISSIONS MADE IN THE PERSONAL HEARING :**

7.1 Ms Nimisha H Shah and Shri Rahul H Shah did not avail the opportunity of personal hearing.

7.2 Ms. Nimisha H Shah vide her letter received by SEBI on June 3, 2003, informed that she was unable to attend the personal hearing as she was admitted in the hospital. While relying on the submissions already made in her letter dated May 8, 2003 in response to the show cause notice issued by SEBI, she submitted that as she was not aware of the daily routine of the company, no adverse order be passed against her as she has not done anything unethical. Further, she undertook to take care if she happened to deal in capital market in future.

3. Shri Rahul H Shah vide his letter received by SEBI on June 3, 2003 informed that he relies upon the submissions made earlier vide his letter dated May 8, 2003 pursuant to the show cause notice issued by SEBI. He further submitted that as the day to day work was looked after by Shri Hemendra Shah, he was not aware of any kind of transactions. He further submitted that since he resigned from the directorship of the broker company in 2000, he is not connected in any kind of activities of the capital market. Further, he submitted that he had not helped in any kind of irregular trading of the clients mentioned in the show cause notice and therefore requested not to be punished. Further, he undertook to take care if he happened to deal in capital market in future.
4. Shri Hemendra V Shah appeared for the personal hearing and while reiterating the admissions made in his reply dated May 12, 2003 to the show cause notice issued by SEBI, he submitted as follows :
  - a. He was responsible for the day to day affairs of the broker entity and Shri Rahul H Shah and Ms. Nimisha H Shah, are his son and daughter respectively who were on the Board only for name sake and they were neither involved nor were aware about the transactions done by the broker entity and as such they had no role whatsoever to play in the transactions referred to in the show cause notice.
  - b. Shri Rahul Shah and Ms. Nimisha Shah are very young having their whole career ahead and their future may not be put at stake due to the misdeeds done by the clients of the broker and therefore no adverse order be passed against them.
  - c. He is no more related with the affairs of the securities market as he is practicing law.
  - d. The directors of the broker may not be punished because of the misdeeds of the clients who ran away without paying the dues to the broker and as a result of which the broker was declared defaulter and was thrown out of business and as such he lost his means of livelihood because of this.

## **8.0 Consideration of Submissions and Findings :**

- 8.1 I have carefully considered the findings of the investigation report, charges levied vide show cause notice, replies received by SEBI and submissions made during the personal hearing.
2. In view of the admissions made by Shri Hemendra V Shah in his reply dated 12.5.2003, and submissions during the personal hearing, I find that the Broker was instrumental in allowing the clients mentioned herein above to indulge in the structured deals and cross deals.
  3. By allowing the clients to enter into the aforesaid acts of buying/selling shares of Zodiac which were not intended to effect the transfer of beneficial ownership but intended to operate only as a device to cause fluctuations in the market thereby reflecting the prices of the scrip which were based on non-genuine trade transactions, the Broker were instrumental in creating a false and misleading appearance of trading in the scrip of Zodiac Clothing Company Ltd.
  4. I, therefore, find that the Chairman/directors of M/s. Shailbhadra Securities Ltd. the erstwhile member of NSE had violated the provisions of Sub-Regulations (a),(b),(c) & (d) of Regulation 4 of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 as they were responsible in their fiduciary capacity for the acts of omissions of the broker entity and therefore are liable to be punished for the violations committed by the broker.
  5. Even though Shri Rahul H Shah and Ms.Nimisha H Shah were not involved in the day to day management of the broker entity, they have to own the responsibility for the misdeeds committed by an entity to which they were the directors. However, the quantum of punishment may be different from the person who was in-charge of and responsible for the day to day management of the company.
  6. I have also taken into consideration that the broker entity and its directors are out of the securities market business since April 30, 2001 when the registration of the broker entity was cancelled by SEBI and in a way to some extent they have suffered the consequence of their misdeeds. I have also noted the statement of Shri Rahul H Shah and Ms Nimisha H Shah that they were not connected with the securities market activities since the year 2000 when they resigned from the Board of the erstwhile broker entity.
  7. Shri Hemendra V Shah was admittedly in-charge of the day to day management of the company. Being in-charge of a SEBI registered intermediary, Shri Hemendra V. Shah was expected to be more careful and cautious while indulging in the trades on behalf of his clients. Instead of doing so, he got involved in structured and cross deals as admitted by him. The explanation put forward by Shri Hemendra V Shah that this was the only way to recover his money is not justifiable as nobody can be allowed to indulge in illegal activities even for the recovery of his legitimate dues. Instead of becoming party to illegal deals, it was his duty and obligation to bring the illegal, non-genuine deals in to the notice of SEBI and Stock Exchange authorities. Instead of doing this, he got involved in illegal activities and therefore does not deserve any sympathy. It is observed however that Shri Hemendra V Shah is not connected with any intermediary in the securities market since the cancellation of the registration of the Broker entity and is pursuing his legal practice.

## **9.0 ORDER**

1. Having regard to the above I, in exercise of the powers conferred upon me under Section 4(3) of the SEBI Act, 1992, read with Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and Section 11(4)(b) and 11B of SEBI Act, 1992, hereby prohibit :
  - a) Shri Rahul H Shah and Ms. Nimisha H Shah from buying, selling or dealing in securities, in any manner, directly or indirectly, for a period of one year from the date of this order.
  - b) Shri Hemendra V Shah, being the Chairman and person responsible for day to day management of the broker entity i.e. M/s Shailbhadra Securities Ltd., from buying, selling or dealing in securities, in any manner, directly or indirectly, for a period of three years from the date of this order.

**DATED : 25<sup>th</sup> August, 2003**

**PLACE : MUMBAI**

**G.N. BAJPAI**

**CHAIRMAN**

**SECURITIES AND EXCHANGE BOARD OF INDIA**