

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER UNDER SECTION 11B OF THE SEBI ACT, 1992 READ WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000, IN THE MATTER OF ZED INVESTMENT LIMITED.

CO/160/NRO/10/2003

1.0 BACKGROUND

1.1. ZED INVESTMENT LIMITED (hereinafter referred to as ZIL) came out with a public issue of 20,00,000 equity shares of Rs. 10/- each for cash at par aggregating to Rs. 200 lakhs, which opened on 30/08/96 and closed on 03/09/96. The issue was lead managed by M/s Geefcee Finance Ltd. and M/s Alankit Assignments Ltd. were the Registrars to the issue.

1.2 ZIL was incorporated in 1993 as Private Limited Company and was converted into Public Limited Company in February 1993. As per the prospectus, the company was promoted by Shri Zile Singh, Shri Anil Kumar and Shri Neeraj Kumar and Shri Rakesh Kumar Srivastava, Shri Zile Singh, Shri Anil Kumar, Shri Neeraj Kumar and Shri Raj Kumar Shukla were the directors of the company. The prospectus was signed by Shri Rakesh Kumar Srivastava for self and for Shri Zile Singh, Shri Anil Kumar and Shri Neeraj Kumar as their constituted attorney.

1.3 Central Bureau of Investigation (CBI) vide its letter dated 14.7.2000 informed SEBI about a case number RC4 (E)/97-EOW.I/DLI against the aforesaid company. Vide said letter CBI informed the findings of its investigations conducted against the aforesaid company and its promoters/directors and other persons associated with it. While informing that on the basis of the findings of its investigation CBI has filed the aforesaid case in the Hon'ble Court of Chief Metropolitan Magistrate, Tis Hazari, Delhi, SEBI was requested to take action against the aforesaid persons within the provisions of SEBI Act and other relevant laws.

2.0. FINDINGS OF THE INVESTIGATIONS

The findings of CBI communicated vide aforesaid letter were examined and prima-facie were found to be correct. The main findings against the company and the other persons mentioned above are summarised as under:

2.1. On 16.11.93, Tarun Goyal a Chartered Accountant got ZIL incorporated by giving the names of non-existent directors namely Shri. Zile Singh, Shri. Neeraj Kumar and Shri. Anil Kumar, showing them as residents of certain fictitious addresses. In various documents, the company's address was shown as 203, Dhaka Chambers, 2069/39, Naiwala, Karol Bagh, New Delhi - 110 005, which was the office address of Tarun Goyal. Tarun Goyal himself conducted business transactions on behalf of ZIL. Income Tax returns of the company for A.Y. 1994-95, 1995-96 and 1996-97 were either prepared by Tarun Goyal or got prepared by him. Tarun Goyal was also director of Geefcee Finance Ltd. (GFL) and its Head, Merchant Banking which was registered as a Merchant Banker and lead managed the issue of ZIL.

2.2. On 1.2.96, Tarun Goyal got ZIL converted into a public limited company and showed its address as 255, Cycle Market, Jhandewala, New Delhi, where the company never existed.

2.3. On 12.4.96, Tarun Goyal as director of Geefcee Finance Ltd. (GFL) (and also Head, Merchant Banking), a SEBI registered Lead Manager, applied to SEBI, NRO for issue of acknowledgement card for ZIL's public issue. Tarun Goyal furnished false and incorrect information to SEBI and obtained the SEBI acknowledgement card for the issue on 31.5.96.

2.4. In June, 1996, Tarun Goyal handed over the company to Rakesh Kumar Srivastava (R K Srivastava), Chairman-cum-MD of PLS group of companies, who was inducted as director of the company w.e.f. 4.6.96. Sh. Raj Kumar Shukla, Sh. Arun Kumar Chaudhary and Sh. Madan Lal Srivastava, who were already directors in PLS group of companies, joined ZIL's board on 4.6.96, 4.6.96 and 6.9.96 respectively. Smt. Seema Srivastava, w/o R K Srivastava also joined ZIL's board. Though Form no. 32 in respect of directorship of Sh. Arun Kr. Chaudhary was not filed with ROC, he started functioning as director from the date of taking over the ZIL. The documents in respect of directorship of R K Srivastava and Sh. R K Shukla were filed with ROC by Tarun Goyal.

2.5. The takeover of ZIL by Shri R K Srivastava and others was negotiated and finalised by Sh. Arun Singh, a Chartered Accountant who also submitted a certificate to SEBI regarding full subscription of promoters quota. The final prospectus was signed on 2.7.96 by R K Srivastava for himself and on behalf of the other first three directors namely, Sh. Zile Singh, Sh. Neeraj Kumar and Sh. Anil Kumar, after which, ZIL was completely taken over by R K Srivastava and it became a part of PLS group. Office of the company was then set up at B-20, Lajpat Nagar, New Delhi - 110 024, which was the head office of PLS group of companies. All the operational work in regard to the public issue was carried out by R K Srivastava, Raj Kumar Shukla and Arun Kumar Chaudhary, as directors of the company. These persons (hereinafter referred to as "Noticees") opened current accounts with Canara Bank, Lajpat Nagar, New Delhi and The Bank of Rajasthan Ltd., Karol Bagh, New Delhi in the name of ZIL to collect money through its public issue.

2.6. Auditors' report (as furnished in the prospectus) and balance sheets for A.Y. 1994-95 and 1996-97 signed by Sh. R.S. Aggarwal (Proprietor M/s. RSA & Co., Chartered Accountants) was submitted to various authorities including Income Tax and ROC by Tarun Goyal. As per statement of Sh. R.S. Aggarwal given to CBI, all these balance sheets, P&L accounts, audit reports, annexures, schedules etc. of ZIL had been signed by him on the instructions of Tarun Goyal and he had not seen any account books or any documents of ZIL.

2.7. In the final prospectus signed by R K Srivastava for himself and for the first three directors, R K Srivastava did not mention whether ZIL was one of the companies under PLS group or that ZIL would offer a buy-back scheme for shares. However, in order to induce the investors, it was advertised that ZIL is in PLS group they will buy-back shares from public. The accused persons induced the general public as well as old investors of PLS group to invest in ZIL's issue promising that the shares allotted to them would be bought back on a higher rate under the buy-back scheme. Advertisement for the public issue were published in weekly paper 'Noida Bazar Patrika' and a magazine 'PLS Profit-Plus'. The noticees also organised meetings-cum-lunch parties of old investors of PLS group to allure them.

The issue opened on 30.08.96 and closed on 3.9.96. 87 investors subscribed to 8 lacs shares reserved for promoters, while 1596 investors subscribed to the public issue component.

2.8. After subscription of the issue, noticees started buy-back of shares allotted to investors from promoters quota as well as public issue against advance post-dated cheques (PDCs) of different amounts (principal + profit / interest) and different dates from the accounts of three associate concerns of PLS group namely Bristol Finance Ltd (account operated by R K Srivastava), PLS Softech Ltd. (account operated by R K Srivastava & Arun Kumar Chaudhary) and Prekhsa Overseas Ltd. (account operated by Smt. Preeti Chaudhary, w/o Sh. Arun Kumar Chaudhary). In many cases, noticees collected the share certificates under the buy-back scheme without providing the PDCs.

2.9 In April '97, noticees withdrew money from the company's bank accounts, closed their offices and disappeared. PDCs issued to investors were dishonoured by banks due to 'insufficient funds'. The said withdrawal of money was done by the noticees for making payments towards purchase of shares from stock market, to meet office expenses, payment to Shri Tarun Goyal as consideration of sale of ZIL to the noticees, payment to chartered accountants etc. Amounts from company's bank account were also transferred to the sister companies i.e. PLS Technicals Ltd. and Shreejee Capital Management Ltd.

2.10. After receipt of number of complaints regarding the activities of ZIL a case was registered with Lajpat Nagar Police Station and later on, on the instructions and order of Govt. of India the case was transferred to CBI and was investigated by the CBI, Economic Offences Wing-I, 7th Floor, NDMC Bldg., Satya Marg, Yashvant Place, Chanakya Puri, New Delhi – 21 vide R C No. 4(E)/97-EOW-I/Delhi. After completion of their investigation CBI filed chargesheet against various persons including Shri Tarun Goyal and other noticees u/s 120-B r/w Section 420 IPC on 27.8.99 before the Metropolitan Magistrate, Delhi which is still pending.

2.11 In short, the irregularities/violations committed in the public issue and other affairs of ZIL by the company and other persons mentioned above are summarised as under :

(a) Fraudulent incorporation of the company;

- a. Fraudulent conversion into a public limited company;
- b. Fraudulent public issue in 1996
- c. (d) Mis-statements / concealment of material facts, viz. :

Fake registered office address, non-existent persons projected as promoter-directors along with their fake profile and details, fictitious addresses projected as addresses of promoter-directors, fraudulent disclosures related to financial performance of the company, concealment of material fact related to involvement of Tarun Goyal as a person controlling the affairs of ZIL, concealment of material facts related to acquisition of the company by Rakesh Kumar Srivastava, Chairman-cum-MD of PLS group of companies, before public issue, non-disclosure of details related to associate concerns of Rakesh Kumar Srivastava.

(e) Irregularities in issue process in violation of SEBI (Disclosure and Investor Protection) Guidelines (DIP Guidelines) viz.:

Allotment of promoter quota shares to investors at large, offer of buy-back scheme without disclosing the same in prospectus in violation of SEBI DIP guidelines for buy-back of securities, issue of advertisements in violation of SEBI DIP guidelines for issue of advertisement, Fraudulent operations and conduct of business of the company, Fraudulent operations of bank accounts, Diversion and mis-appropriation of public issue proceeds.

3. SHOW CAUSE NOTICES

3.1 As the role of Shri Tarun Goyal who fraudulently incorporated the company, on the one hand and the other persons who were shown as promoters/directors of the company in the prospectus, on the other hand was different, different show cause notices on different dates were issued to the different persons.

3.2 Vide detailed show cause notice dt. 16.11.2000, addressed to Shri Goyal, while giving the findings of the investigations, he was asked to show cause as to why appropriate action should not be initiated against him under Section 11 and Section 11B of the SEBI Act, including inter-alia debarring him from associating with the capital market related activities, dealing in securities, accessing the capital market and associating with any of the intermediary in the capital market for a period of 5 years.

3.3 Further, vide detailed show cause notices dated 07.12.2000 addressed to Shri R K Srivastava and Arun Kumar Chaudhary, show cause notice dated 16.03.2001 addressed to Shri R K Shukla, show cause notice dated 31.01.2001 addressed to Ms. Preeti Chaudhary, these persons were asked as to why appropriate action should not be initiated against them under Section 11 and Section 11B of the SEBI Act, including inter-alia debarring them from associating with the capital market related activities, dealing in securities, accessing the capital market and associating with any of the intermediary in the capital market for a period of 5 years.

4.0 REPLY TO THE SHOW CAUSE NOTICE

4.1 Reply Of Shri Tarun Goyal

Shri Tarun Goyal submitted his reply dated 13.9.2002 wherein he submitted as under :

- a. His association with M/s Zed Investments Ltd. and its promoters has been completely professional. While denying the allegation that the promoters of the company were non-existent, he submitted a copy of ration card for Shri Zile Singh and copy in support of educational qualification of Shri R K Srivastava, Shri A K Chaudhary and Shri R K Shukla. Further, he submitted a notarised copy of rent agreement for the registered office of the company.
- b. As regards other charges of fraud and cheating etc. levied by CBI, it was informed that the said charges have been disputed by him in the court of Shri J.P. Narain, M.M. Delhi. It was also informed that Shri Goyal has also filed a petition before the Additional District and Sessions Judge, Karkardooma, Delhi for quashing the said charges and he expects to succeed in the matter.
- c. He also denied the charges of fraudulent conversion of ZIL into public company, fraudulent public issue, preparation of income tax return of ZIL etc. Regarding other charges such as concealment of material facts in the prospectus, allotment of promoter quota shares in violation of SEBI (DIP) guidelines, fraudulent operations and conduct of business etc., he submitted that he was not responsible for the acts of omission and commission of the company and its promoters / directors after the company was taken over by Shri R K Srivastava & Ors. and as such his association with the company was purely in professional capacity.

2. Reply of Shri R. K. Srivastava

Shri R.K. Srivastava filed his reply dt. 06.01.2001 through Shri Mukesh Kumar, Advocate (for M L Srivastava & Co., Associate Advocates) and made inter-alia the following submissions :

- a. R K Srivastava has nothing to do with the formation of ZIL.
- b. In June 1996, Tarun Goyal along with Arun Singh fraudulently and dishonestly made false representation to R K Srivastava and induced him to purchase ZIL.
- c. After purchasing ZIL entire function in bringing public issue was conducted/managed by Tarun Goyal and Arun Singh whereas R K Srivastava simply financed the public issue incurring personal losses and had no knowledge about their activity.
- d. R K Srivastava had no knowledge about the history of fake and bogus company ZIL and only learnt about the facts of the case when CBI filed its charge sheet in September/October, 1999.

4.3. Reply of Shri Raj Kumar Shukla

Shri Raj Kumar Shukla filed his reply vide his letter dated 30.3.2001 and submitted inter-alia as under :

- (a) The show cause notice was baseless and not within jurisdiction of SEBI.
- (b) Section 11 and Section 11B of SEBI Act did not apply to the case where the findings were of some other agency and the matter was sub-judiced.
- (c) It was also alleged that nobody aggrieved in the case had complained to SEBI .
- (d) CBI took over the case in April, 1997 and it was not clear as to why there was a delay of 3 years in issuing show cause notice by SEBI and as such any action by SEBI after such delay is barred by Law.
- (e) At present he is not a director in any of the companies in question nor was he indulging in any of the acts which were subject matter before SEBI.
- (f) SEBI's notice did not refer to him. There was no document / witness to support SEBI's case against him.

R K Shukla sought further time to present his final reply, however, no addendum to his reply dated 30.3.2001 was received by SEBI till date.

4.4 Reply of Shri Arun Kumar Chaudhary

Shri Arun Kumar Chaudhary furnished his reply vide his letter dated 27.01.2000 and submitted inter-alia as under :

- a. That he was in simple employment of Shri Rakesh Kumar Srivastava and was discharging duties sincerely whatever job was entrusted to him in the course of official duties.
- b. That Tarun Goyal, Arun Singh and his associates managed entire affairs in getting approval of the prospectus, terms and conditions of the issue and R K Srivastava simply provided the needed finance in good faith. After receiving documents from CBI in February/March, 2000 it was learnt that actual fraud had been played by aforesaid persons.
- c. He had no knowledge about the share market nor ever indulged directly/indirectly in trading of securities or committed any irregularity or made any mis-statement by concealing any fact as highlighted in SEBI show cause notice.

4.5. Reply of Ms. Preeti Chaudhary

Ms. Preeti Chaudhary filed reply vide her letter dated 05.02.01 and submitted inter-alia as under :

- (a) She is not a director/employee/agent of ZIL. She is a law abiding and simple household lady.
- (b) Her husband, Shri Arun Kumar Chaudhary was in employment of PLS Company. She has never seen the face of share market nor indulged in any manner in the sale and purchase of securities in public or with stock exchanges nor in future she intended to enter into any sort of business including securities business.

5.0. PERSONAL HEARINGS AND SUBMISSIONS

Before taking a final view in the matter, in compliance with the principles of natural justice all the above mentioned persons were given number of opportunities to appear in person or through authorised representative to represent their case.

5.1 Shri Tarun Goyal through various letters was given number of opportunities for personal appearance/hearings. However, he refused to accept letters forwarded by SEBI. The personal hearings were fixed on 16.08.01, 21.09.01 and 16.09.02. However, he did not avail the opportunity of personal hearing.

5.2 Shri R K Srivastava was also given number of opportunities for personal appearance/hearings. The personal hearings were fixed on 16.08.01, 21.09.01, 16.09.02. As no response was received, on enquiry it was found that Shri R K Srivastava was lodged in Tihar Jail. Therefore, another opportunity of personal hearing was granted on 16.01.03 and the communication in this regard was served upon him through Office of Superintendent of Police, Central Jail, Tihar. As no body appeared for the personal hearing it was decided to proceed further on the basis of the record available with SEBI.

5.3 Shri Raj Kumar Shukla was also given personal hearings on 16.08.01, 21.09.02, 16.09.01 and 16.01.03. However, inspite of receiving the notices he chose not to appear before SEBI and therefore it was decided to proceed further in the matter on the basis of the record available with SEBI.

5.4 Shri Arun Kumar Chaudhary was also given number of opportunities for personal appearance/hearings. The personal hearings were fixed on 16.08.01, 21.09.01, 16.09.02. As no response was received, on enquiry it was found that Shri Arun Kumar Chaudhary was lodged in Tihar Jail. Therefore, another opportunity of personal hearing was granted on 16.01.03 and the communication in this regard was served upon him through Office of Superintendent of Police, Central Jail, Tihar. As no body appeared for the personal hearing it was decided to proceed further on the basis of the record available with SEBI.

5.5 Smt. Preeti Chaudhary was also given number of opportunities for personal appearance/hearings. The personal hearings were fixed on 16.08.01, 21.09.01, 16.09.02. As no response was received, on enquiry it was found that Smt. Preeti Chaudhary was released on bail. Therefore, communication regarding opportunity of personal hearing fixed for 16.01.03 was served upon her through her husband Shri Arun Kumar Chaudhary who was lodged in Tihar Jail, through Office of Superintendent of Police, Central Jail, Tihar. As no body appeared for the personal hearing it was decided to proceed further on the basis of the record available with SEBI.

6.0. CONSIDERATION OF ISSUES AND FINDINGS

Before I proceed to give my findings it is pertinent to mention here that on the basis of large number of unresolved investor complaints, ZIL was identified as a vanishing company for action through the task force constituted for taking action against vanishing companies. As a part of SEBI action against the promoters/directors of the vanishing company, directions u/s 11B of SEBI Act against ZIL and its directors namely Shri Zile Singh, Shri Anil Kumar, Shri Neeraj Kumar, Shri Raj Kumar Shukla and R K Srivastava were passed debarring them from associating with any capital market activity and prohibiting them from accessing the capital market for a period of 5 years w.e.f. 17.12.99.

Independent of the action already taken, considering the gravity of the charges, it would be appropriate to examine their role in the misdeeds as alleged above and pass appropriate order in the interest of investors and securities market.

I have carefully considered the findings of the investigation, the charges communicated in the show cause notices, replies received and the background of the case and I am of the view as under:

6.1 Shri Tarun Goyal was instrumental in all the acts of omissions and commissions and the affairs of ZIL including its fraudulent incorporation, fraudulent public issue and fraudulent operations rather than being involved in the company only in professional capacity as claimed by him. The investigations show that the addresses of three directors namely Shri Zile Singh, Shri Neeraj Kumar and Shri Anil Kumar mentioned in the documents were fictitious and no such persons were found to be staying in the places mentioned in the document. On enquiries made by SEBI to confirm the address of Shri Zile Singh as C-445, East of Kailash which was mentioned in the copy of the ration card submitted by Shri Goyal, it was found from the copy of Residents Directory of C-Block, East of Kailash that there is no C-445 as the C-Block has addresses only upto C-161. Shri Goyal did not produce Shri Zile Singh to prove his identity. Further, Shri Goyal did not produce any address proof of Shri Anil Kumar and Shri Neeraj Kumar to prove their identity. So far as copy of the notarised rent agreement, it is observed that the said copy does not establish that the registered office of the company was in existence on the aforesaid addresses at the relevant time as the investigations have established that ZIL never existed on the given address.

In view of the aforesaid, I find that the submissions of Shri Goyal are not tenable. The conduct of Shri Goyal in the instant case was detrimental to the interest of investors and the securities market and it is a fit case wherein as a remedial measure and in order to protect the interest of investors and the securities market from such unscrupulous persons directions should be passed.

Before passing the order it would be appropriate to discuss and highlight the past conduct of Shri Goyal in securities market transactions. As a matter of fact, SEBI, after finding the unscrupulous activities of Shri Tarun Goyal in the matter of M/s Karan Finance Ltd., Mahanivesh India Ltd, Geefcee Finance Ltd. and Kalyani Finance Ltd., debarred him from accessing the capital market for a period of 5 years with effect from 12.06.2000. Further, as Shri Tarun Goyal is a Chartered Accountant and a Company Secretary, references have been made to Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Apart from this, as it emerged that ZIL was a front company of Tarun Goyal and he was handling its affairs till he sold the company, a reference to Income Tax authorities for their investigation and suitable action was also made.

6.2 Shri R K Srivastava was very much in the know how about the background and other affairs of the company at the time of taking over the company. The prospectus of ZIL was signed by Shri R K Srivastava as Chairman of the company for himself and for other non-existent directors namely Shri Zile Singh, Shri Anil Kumar and Shri Neeraj Kumar which itself speaks about the misdeeds and intentions of Shri Srivastava. The prospectus signed by Shri Srivastava for himself and on behalf of other directors contained glaring mis-statements and omitted material relevant facts which would have enabled an investor to take a well informed investment decision.

After Shri R K Srivastava took over ZIL it became the PLS group company and its office was shifted to a new location which was the head office of PLS group. Further, Shri R K Srivastava and others opened company accounts with Canara Bank and Bank of Rajasthan for collection of public issue proceeds. Advertisement for public issue was released by Shri R K Srivastava and therefore his contention that he simply financed the public issue is false and unacceptable. Moreover, even after taking over ZIL Shri Srivastava continued to project Shri Zile Singh, Shri Anil Kumar and Shri Neeraj Kumar as promoters of the company without making any disclosure about his takeover and stepping in as promoter. This was apparently done to avoid disclosures about his groups' (PLS') concerns in the prospectus.

6.3. Shri Raj Kumar Shukla was also involved in the misdeeds of the company and the submissions and contentions of Shri Shukla are untenable. During the investigations conducted by CBI, SEBI was in constant touch with the agency and furnished all the relevant record and statements to it. SEBI was actively involved with the said investigation and helped CBI at every stage. Further, SEBI at its own level also examined the findings of the investigations conducted by CBI and after confirming the findings to be correct, issued show cause notices. Therefore, the contention that the SEBI did not conduct its investigations is baseless. The misdeeds of the aforesaid persons fall within the regulatory jurisdiction of SEBI and SEBI is competent to take appropriate action for the violation of

SEBI Act and Rules and Regulations made thereunder, independent of the action initiated by CBI or other agencies within their jurisdiction.

The findings of the investigations by CBI were communicated to SEBI in July, 2000. SEBI after examining the findings started proceedings by issuing show cause notices and therefore the plea of SEBI action being time barred is untenable. The contention that Shri Shukla has resigned from the company would also not help him as at the relevant time when the acts of omission and commission were committed, he was the director and signatory to the prospectus of the company and therefore is liable for the actions.

6.4. **Shri Arun Kumar Chaudhury**, like any other director is responsible for the irregularities and acts of omissions and commissions committed in the public issue of the company. The submissions made by him are vague and unacceptable. Being a director of the company he was responsible for the mis-statements and allotment of promoter quota shares to the general investor at large apart from offering buy-back scheme by issue of an advertisement in violation of SEBI (DIP) Guidelines.

6.5 **Smt. Preeti Chaudhary** though not a director of the company or signatory of the prospectus is also responsible for the aforesaid acts of omissions and commissions. She was the sole authorised signatory to the accounts of Pareksha Overseas Ltd. with the Bank of Rajasthan from where post dated cheques were issued against the buy back of shares. She was party to the fraudulent activities of the company to induce investors to invest their money.

As regards company and its fraudulent affairs, the matter has been referred by SEBI to Department of Company Affairs for considering suitable action under the relevant provisions of the Companies Act. Apart from the above, SEBI has also initiated prosecution proceedings against the aforesaid persons for mis-statements and concealment of material facts in the prospectus.

7.0. **ORDERS/DIRECTIONS**

7.1 Having regard to the above and the past record of the aforesaid persons as detailed above, I am of the view that they deserve severest punishment in order to protect the interest of investors in securities and to maintain the sanctity and integrity of the securities market. If the unscrupulous elements like these are allowed to act or deal in the securities market they would not only endanger the system but would also erode the confidence of the small investors.

7.2 In view of the above and as a remedial measure, in exercise of powers conferred upon me under Section 4(3) of the Securities and Exchange Board of India Act, 1992 read with Section 11(4)(b) and 11B of the said Act and further read with SEBI (Disclosure and Investor Protection Guidelines) 2000, I hereby restrain Shri Tarun Goyal and Smt. Preeti Chaudhary, M/s. Zed Investments Ltd. and its promoters/directors at the time of public issue namely Shri R K Srivastava, Shri R K Shukla and Shri Arun Chaudhary as aforesaid from accessing the securities market and also prohibit them from being associated with the securities market in any manner whatsoever to buy, sell or deal in securities for a period of five years from the date of the order.

7.3 This is without prejudice to the right of SEBI to initiate any other action against the aforesaid persons under the provisions of SEBI Act, 1992, Regulations framed thereunder and under any other law as may be applicable.

7.4 This Order shall come into force with immediate effect.

Place: Mumbai

Date : 9th October, 2003

G.N. BAJPAI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA