

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**ORDER**

**Under Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, against M/s S S Kantilal Ishwarlal Securities Pvt. Ltd., Member, BSE, INB 01622230 in the scrip of Malvika Engineering Ltd**

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Whereas, Securities and Exchange Board of India (hereinafter referred to as SEBI) conducted an investigation into the alleged price manipulation in the scrip of Malvika Engineering Ltd (hereinafter referred to as the MEL) and on the basis of the findings of the said investigation, an Enquiry Officer was appointed under SEBI ( Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as Enquiry Regulations) to enquire into the affairs of M/s S S Kanthilal Ishwarlal Securities Private Limited (hereinafter referred to as SSKI), member BSE, in the matter of alleged price manipulation in the scrip of MEL and possible violations of the provisions of SEBI Act and SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 ; and

whereas, the Enquiry Officer after conducting the Enquiry in terms of the Enquiry Regulations concluded that on an overall assessment of the case and the dealings of the clients and the risk containment measures in respect of the client implemented by SSKI, it can't be concluded that the SSKI has failed in exercising due care and skill in the normal frame work laid down by the broker, however, it should have been more careful while dealing in the illiquid stocks, and

whereas in light of the aforesaid findings the Enquiry Officer recommended that the broker be warned to be more careful in future dealings in illiquid scrip; and

whereas, a copy of the said Enquiry Report was forwarded to SSIK along with a show cause notice dated March 29 , 2004 advising it to show cause as to why action as may be considered appropriate should not be taken against it; and

whereas, SSIK replied to the said show cause notice vide its letter dated April 12, 2004 and reiterated its submissions made before the Enquiry Officer and submitted that it had put in place all efforts to check the foul play of the clients and therefore requested that no order may be passed against it without giving opportunity of personal hearing, and

whereas, in terms of the Enquiry Regulations no opportunity of personal hearing is mandatory and even otherwise, I have taken into consideration all the relevant facts and circumstances of the case including the detailed reply dated April 12, 2004 from SSKI, I feel that no personal hearing is required in this case; now therefore,

I, while agreeing with the findings of the Enquiry Officer, and having considered the nature and gravity of the charges established, the facts and circumstances of the case, the mitigating factors as explained above, and the submissions made by the broker thereto, in exercise of powers conferred under Section 19 of the SEBI Act , read with Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulation 2002, hereby warn M/s S S Kantilal Ishwarlal Securities Pvt. Ltd., Member, BSE, (Reg No: INB 01622230 ), advise it to be more careful in future in its dealings in the securities market and diligently adhere to the provisions of the SEBI Act ,1992 and the regulations made there under.

**DATE : 27-12-2005**  
**PLACE: MUMBAI**

**MADHUKAR**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**