

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 ABS Consultant Private Limited, a SEBI registered Registrar to an issue and share Transfer agent in respect of its dealings in the scrip of Warner multi media Limited.

Whereas, pursuant to a complaint received on January 24, 2001, Securities and Exchange Board of India (hereinafter referred to as SEBI) conducted an investigation into the alleged price manipulation in the scrip of Warner Multimedia Limited (hereinafter referred to as WML) for the period from September 08, 2000 to December 13,2000.

Whereas the investigation revealed that on the Stock Exchange , Mumbai(hereinafter referred to as BSE) the price of the scrip had moved from Rs 18/- on September 08, 2000 to a high of Rs 53.30 on December 13, 2000 which 196% in a period of about 3 months and the investigation further revealed that the average daily traded volume increased from 1000 shares for the period January 01, 2000 to September 08, 2000 to 17500 shares per day for the period September 11, 2000 to September 18, 2000 which is an increase of 165%; and

Whereas, the investigation further revealed that all the clients of all the major trading brokers in the scrip of WML during the relevant period were interconnected with each other and to the promoters pf the wml and the trading done by these clients accounted for 70-80% of the settlement purchases and the sales done in the market during the investigation period; and

Whereas investigation also revealed that M/s ABS Consultant Private Limited, a SEBI registered Registrar and share Transfer agent, (hereinafter referred to as ABS) in respect of its dealings in the scrip of Warner multi media Limited were delaying the endorsement of the name change and dematerialization of the scrip WML; and,

Whereas, an Enquiry Officer was appointed by SEBI under Regulation 5 of 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 ABS in its dealings in the scrip of WML and possible violations of Clause 1 and 2 of the Code of Conduct for Registrars to an Issue and Share Transfer Agent read with Regulation 13 of Registrars to an Issue and Share Transfer Agents) Regulations, 1993,(hereinafter referred to as" RTA Regulations"); and

whereas, the Enquiry Officer after conducting detailed enquiry in terms of the Enquiry Regulations, while finding that there are no cogent material to sustain the charge against ABS that it has aided and abetted the company in delaying the dematerializing requests and for non-submission of the information on dematerialization as it had transferred the records pursuant to the termination of the contract with WML , which was informed to SEBI also, the Enquiry Officer observed that ABS being a Registrar to an issue and share transfer agent of WML should have been aware of such delays and as a SEBI registered intermediary must have exercised due diligence in bringing to the notice of SEBI and also should have been preserved the copy of documents for a minimum period of three years as mandated by RTA Regulations; and

whereas, the Enquiry Officer thus found that ABS has failed to act with due skill, diligence and care in the conduct of its activities in terms of Clause 2 of Schedule III of the RTA Regulations and also found that the in facts and circumstances of the case a minor penalty of warning would

be sufficient and recommended a minor penalty of warning vide his Enquiry Report dated August 13, 2004 ; and

whereas, a copy of the said Enquiry Report was forwarded to ABS along with a Show Cause Notice dated August 17, 2004 advising it to show cause as to why the action as recommended by the Enquiry Officer or as deemed appropriate should not be taken against it; and

whereas ABS replied vide letter dated August 31, 2004 and interalia submitted that it has never acted and dealt with in connivance with the company ,(WML) and has always complied with the rules regulations guidelines and Circulars issued by SEBI.

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 ABS thereto, in exercise of the powers conferred under section 19 of SEBI Act, 1992, read with Regulation 13 (4) of SEBI (Procedure for Holding Enquiry by the Enquiry Officer and Imposing Penalty) Regulations, 2002 , hereby warn M/s ABS Consultant Private Limited, Registrar to an issue and share Transfer agent, 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, the Regulations and the Rules made there under.

DATE: 01.02.2006

PLACE: MUMBAI

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