

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**CORAM: V. K CHOPRA, WHOLE TIME MEMBER**

**In the matter of irregularities in the trading of the shares
of M/s. Roofit Industries Ltd against the following entities:**

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|---|---|
| <p>1. M/s Akira Investments Pvt. Ltd.</p> <p>104, Morgaonkar Market
589, Sadashiv Peth
Pune 411030</p> | <p>2. M/s Habiscus Investments Pvt. Ltd.</p> <p>405, Buildage House
146, V S Marg, Mahim
Mumbai 400 016</p> |
| <p>3. M/s Onlooker Investment Pvt. Ltd.</p> <p>405, Buildage House
146, V S Marg, Mahim,
Mumbai 400 016</p> | <p>4. M/s M'Belle International Pvt. Ltd.</p> <p>G/7, Sai Sangeet, 368 Linking Road, Khar,
Mumbai 400 052</p> |
| <p>5. M/s Alkan Projects Pvt. Ltd.</p> <p>A-15, Medhavi
Samarth Nagar Cross Road No. 2
Lokhandwala Complex
Andheri (W)
Mumbai 400 053</p> | <p>6. M/s Mayfair Realtors Pvt. Ltd.</p> <p>1, Rahimtulla Mansion, 5th Floor,
7, Homji Street
Fort
Mumbai 400 001</p> |
| <p>7. M/s Mayfair Paper & Boards Pvt. Ltd.</p> <p>501, Sangli Bank Building
296, Perin Nariman Street, Fort
Mumbai 400 001</p> | <p>8. M/s. Vynex Chemical Engineering (Bombay)
Pvt. Ltd</p> <p>501, Sangli Bank Building
296, Perin Nariman Street, Fort
Mumbai 400 001</p> |

ORDER

Under Section 11 (4) read with 11B of the Securities and Exchange Board of India Act, 1992 and Regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraud relating to the Securities Market) Regulations, 1995

1.0 BACKGROUND

- 1.1 Securities and Exchange Board of India (hereinafter referred to in short as 'SEBI') initiated investigation in the scrip of M/s. Roofit Industries Ltd. on the basis of a sudden spurt in volume of Exchange (NSE) during the period October 6, 1999 to December 12, 1999. SEBI directed NSE and Stock Exchange, Mumbai (BSE) to conduct further investigations at their end. NSE submitted November 8, 2000 to February 6, 2001 vide its letter dated December 31, 2001 and for the period February 7, 2001 to May 8, 2001 vide letter dated September 11, 2002. BSE submitted its report May 4, 2001 on September 26, 2001 and for the period October 10, 1999 to December 12, 1999 vide letter dated May 24, 2002. Considering the above, SEBI conducted investigation for the period 1999 and November 08, 2000 to May 08, 2001.
- 1.2 M/s. Roofit Industries Ltd. (hereinafter referred to as "Roofit") was incorporated on February 18, 1982 as a Private Limited Company in the name and style of M/s. Ratnagiri Asbestos Private Ltd. M/s. Ratnagiri Building Products Ltd. on October 21, 1987 and later to M/s. Roofit Industries Ltd. in 1996. The shares of Roofit were listed on NSE and BSE, Delhi Stock Exchange and Ahmedabad
- 1.3 The promoters of the company were Veegee Holdings and Finance Pvt. Limited, Suresh G. Motwani, Vinod G Motwani, Kishore G Motwani, Joy R Mangalani, Kamini G Motwani, Gurbux G Motwani, Rita K. Motwani, Meenu J Mangalani, Wada Arun Asbestos Cement Products Pvt. Limited, M/s Vynex Chemical Engg Pvt. Limited., Auto Investment Pvt. Limited, Scarlet Tiles Pvt. Ltd., Su Paper & Boards Pvt. Limited and Motwani Enterprises Pvt. Limited. (These entities are hereinafter referred to collectively as "promoter entities").
- 1.4 The investigation revealed that a group of eight entities namely M/s. Onlooker Investments Pvt. Ltd. (M/s. Onlooker), M/s. Habiscus Investments Pvt. Ltd. (M/s. Habiscus), M/s. Alkan Projects Realtors Pvt. Ltd. (M/s Mayfair Realtors), M/s. M'Belle International Pvt. Ltd. (M/s. M'Belle), M/s. Akira Investment Pvt. Ltd. (M/s. Akira), M/s. Mayfair Paper & Boards Pvt. Ltd. (M/s. Mayfair Paper Pvt. Ltd. (M/s. Vynex) (the said eight entities are hereinafter referred to in short as "Noticees") were related to each other and to the promoters of the company M/s. Roofit and have been following Roofit during the time period of investigation, through the various broking entities of BSE and NSE.
- 1.5 The Noticees generated substantial volumes in the market and entered into circular trading by way of synchronised deals so as to create false and misleading appearance of market and thus violate 4(c) and 4(d) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the securities market) Regulations, 1995 (hereinafter referred to in short as

2.0 SHOW CAUSE NOTICES

- 2.1 A show cause notice dated May 19, 2004 and a supplementary show cause notice dated September 15, 2005 was issued to one of the Noticee M/s Alkan. Likewise, show cause notices dated June cause notices dated September 15, 2005 were issued to the Noticees M/s M'Belle, M/s Mayfair Paper and M/s Vynex. In the said show cause notices, the said Noticees were requested to show under Section 11(4) read with Section 11B of the Securities and Exchange Board of India Act, 1992 including restraining them from accessing the securities market and prohibiting them to appropriate period of time, should not be passed against them for the violations of the provisions of Regulations 4(b), 4(c) and 4(d) of PFUTP Regulations.
- 2.2 Separate show cause notices all dated August 16, 2005 were issued to the four of the Noticees viz M/s Akira, M/s Onlooker, M/s Habiscus and M/s Mayfair Realtors to show cause as to why ap read with Section 11B of the Securities and Exchange Board of India Act, 1992 including restraining them from accessing the securities market and prohibiting them to buy, sell or deal in securit should not be passed against them for the violations of the provisions of Regulations 4(b), 4(c) and 4(d) of PFUTP Regulations.

3.0 REPLY OF THE ENTITIES TO SHOW CAUSE NOTICE

- 3.1 The Advocate, Shri Vishwas Pathak replied to the show cause notices on behalf of the Noticees namely M/s Akira, M/s Onlooker, M/s Habiscus, M/s Mayfair Realtors, M/s Mayfair Paper and M/s Vy 2005. The same Advocate also replied to the show cause notices on behalf of the Noticee M/s Alkan and M/s M'Belle vide letters dated June 24, 2004 and July 12, 2004 respectively. Further, the to the aforesaid supplementary show cause notices on behalf of the Noticees viz M/s Alkan and M/s M'Belle vide two separate letters both dated October 10, 2005. I have examined reply of each and contentions are one and the same in all the reply. In the said replies, Shri. Pathak on behalf of the Noticees, inter alia submitted as hereunder:

- They stated that the criteria of relationship can not be established just by minor shareholding, introduction to brokers, directorship in companies and personal relationships of the entities
- Noticees in their reply denied that they are related directly or indirectly to any of the companies mentioned in the show cause notices. Noticees further stated that the dealings durin various broking entities of BSE and NSE have been entered into in the normal course of business. Noticees denied that they have generated substantial volumes of trade in the scrip of I interchangeably moved securities in their demat account and made adjustments of securities among themselves. Noticees stated that they were not aware of counterparty brokers Noticees also stated that they were not involved in any of the alleged matched trades through the brokers and not influenced the price to create volume.

4.0 HEARING

- 4.1 In the aforesaid replies to the show cause notices, the Noticees requested for a personal hearing. Accordingly, the Noticees were advised to attend the personal hearing at SEBI's Head office a 11.30 am. The letters intimating the date of hearing were first sent through registered post on August 31, 2006 which were returned undelivered with the remarks "Left". The said letters were : counsel, Shri Vishwas Pathak, vide his letter dated June 17, 2006. Thereafter, hearing intimation letters were served on September 15, 2006 through hand delivery to the Advocate of Noticees vide letters all dated September 18, 2006 requested for an adjournment of the hearing. The second opportunity of hearing to all the Noticees has been given on October 03, 2006. The hearing i the Noticees vide letter dated September 22, 2006 at the address mentioned in their respective letters received in connection with adjournment of first hearing scheduled on September 19, 2006 requested for adjournment on the ground that the intimation of hearing was received after the time fixed for hearing. However, in case of other entities, hearing intimation returned undeliv known". Third opportunity of hearing was granted to the entities M/s Mayfair Papers and M/s Vynex on October 26, 2006. The said hearing intimation was also handed over to them on Octobr behalf of them on the said date. The said two entities vide respective letters dated October 26, 2006 again requested for an adjournment on the ground that their Authorised Representatives opportunity has been granted to the Noticees and the notices were communicated to them as well as their Advocates. It is observed that the Noticees have been adopting delaying tactics to pr felt that no purpose would be served by giving them any further opportunity of hearing and the matter is taken up to decide on its merits.

5.0 CONSIDERATION OF ISSUES

- 5.1 I have carefully examined the show cause notices, reply to the show cause notices and materials on record and observe as under:
- 5.2 The charges levelled against the Noticees are, (a) creation of false and misleading appearance of trading in the market (b) entered into transactions that are not genuine trade transactions and i not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate or cause fluctuations in the market price of the security. Thus, the Noticees have violated and (d) of PFUTP Regulations.

LINKAGES /RELATIONSHIP AMONG THE NOTICEES

- 5.3 I find that that the Noticees were related to each other and to the promoters / directors of Roofit. The relationship between the above mentioned entities inter-se and between the promoters is as u
- M/s Alkan, M/s Habiscus and M/s Onlooker have a common director viz. Mr. Suresh Hemwani who was a promoter of the company Roofit.
 - M/s Habiscus and M/s Onlooker have a common director viz. Ms. Meenal Chabaria
 - Subscribers to Memorandum of Association (MOA) of M/s M'Belle are Ms. Rita Motwani, Ms. Sangeeta Motwani and Ms. Anupama Motwani. Ms. Rita Motwani is the wife of Mr. Kishore Motwani Ms. Sangeeta Motwani is the wife of Mr. Vinod Motwani who is one of the directors of M/s Roofit. Ms. Anupama Motwani is the wife of Ms. Suresh Motwani who is one of the directors of Roofit. to directors of the company.
 - M/s Alkan, M/s Mayfair Paper and M/s Vynex are among the persons acting in concert (PACs) with Sunearth Ceramics Limited, one of the promoter entities of Roofit and having the same addre
 - M/s New Bharat Builders has introduced M/s Onlooker to M/s Goldcrest Capital Market Limited (M/s Goldcrest), member, NSE and BSE. Subscribers to the Memorandum of Association of Sangeeta Motwani and Mr. Kishore Motwani. Ms. Sangeeta Motwani is the wife of Mr. Vinod Motwani, Mr. Kishore Motwani and Mr. Vinod Motwani are the directors of Roofit.
 - Further, Shri Deven Mehta, the director of broking firms M/s Amgis Holdings Pvt Ltd (M/s Amgis) and M/s. Pals Overseas Pvt. Ltd (M/s Pals) introduced the Noticees to other brokers viz. M/ Ltd (M/s Express), M/s. Jayantilal Khandwala Finance Ltd.(M/s Jayantilal), M/s. Prashant J Patel.

- In the course of recording statement of Shri Devan Mehta, Director of M/s Amgis and M/s Pals on February 14, 2003, he admitted that he was aware about the relationship of Noticees viz. M, M/s Alkan, M/s M'Belle and M/s Mayfair with M/s Roofit.
- Shri Tushar Tanna, Director of M/s Goldcrest admitted in his statement recorded by the investigating authority on January 27, 2003 that he came to know about the relationships among th visited their respective offices and immediately after that he stopped trading on behalf of them.
- It is also found that on many occasions two of the Noticees placed combined buy order.
- It is also clear from the demat analysis of the brokers that the shares sold by one of Noticee and delivery of the same came from the demat account of another Noticee and the said deta "demat analysis".

5.4 The Noticees filed their reply to the show cause notices through one common advocate namely Shri Vishwas Pathak. In the said replies, the Noticees have taken a common stand that th established just by minor share holdings, introduction to brokers, directorship in companies and personal relationships of the individual. The Noticees had not offered any other criteria to be foll Further, they have not denied the linkage shown in the show cause notices. In this regard, I find that the relationship of the Noticees is clearly established by way of common directorship, signato of Association of the companies, introduction of the brokers, statements of the director of the broking entities, inter demat account transfer of shares and common address etc.

MODUS OPERANDI OF THE NOTICEES

- 5.5 The promoter entities were in need of funds and therefore they approached M/s Amgis, a member of NSE and M/s Pals, a member, BSE. Thereafter, Shri Devan Mehta who was the common introduced the Noticees to other brokers viz. M/s. Goldcrest, a member of NSE as well as BSE, M/s. Prashant J Patel, a member of NSE, M/s. Bharat J Patel, a member, BSE and M/s. Express Sec
- 5.6 The Noticees sold the shares of Roofit on a spot basis to the above mentioned stock brokers who in turn immediately sold the shares in the market. The delivery for these sales came from the payments for sales were made by the broking entities much before the payout. The purchases for these sales, in almost all the settlements, during the period of investigation, were made by N Shri Devan Mehta.
- 5.7 In effect, therefore, Noticees sold the shares of M/s. Roofit, received money immediately, entered into structural / matched deals through the broking entities of Shri Devan Mehta, took delivery an continued settlement after settlement, during the time period of investigation.
- 5.8 The broking entities who made these immediate payments to Noticees would safeguard their interests by immediately entering into sale transactions in the market and therefore, would get cover of the Exchanges. The broking entities of Shri Devan Mehta, by entering into structural deals, with the broking entities who had made the payments, ensured that the Noticees did not lose contro could be repeated.
- 5.9 During the time period of investigation, at both BSE and NSE, I find that the major concentration of trading was between M/s. Amgis (NSE) and M/s. Pals (BSE) (both acted as purchasers) on o BSE) and acted as seller on the other side. These broking entities have continuously aided and abetted the Noticees in their activity and have further misutilised the system.

TRADING OF THE NOTICEES

- 5.10 M/s. Amgis had traded on behalf of the M/s Onlooker, M/s M'Belle, M/s Mayfair Realtors, M/s Habiscus, M/s Alkan and M/s Akira. I find that all these Noticees purchased a total of 21,56,723 share: Further, I have pursued the trade log and order log analysis for the trade executed between M/s Amgis and M/s Goldcrest which is reproduced hereunder:

Date	Trade Time	Trade Qty	Trade Price	Buy Tm Name	Buy Client Name	Buy Order Entry Time	Sell Tm Name	Sell Client Name	Sell Order Entry Time
20-Nov-00	12:32:35	659	268	Amgis	Onlooker	12:32:31	Goldcrest	Ami Impex	12:32:35
20-Nov-00	12:32:45	4541	268	Amgis	Onlooker	12:32:45	Goldcrest	Ami Impex	12:32:35
20-Nov-00	12:32:45	46800	268	Amgis	Onlooker	12:32:45	Goldcrest	Ami Impex	12:32:35
27-Dec-00	10:41:07	25000	121	Amgis	H(Habiscus)	10:41:07	Goldcrest	Mayfair	10:41:03
27-Dec-00	10:41:47	25000	121.5	Amgis	H(Habiscus)	10:41:47	Goldcrest	Onlooker	10:41:45
27-Dec-00	11:06:40	25000	120.25	Amgis	H(Habiscus=6658& onlook=18342)	11:06:40	Goldcrest	Onlooker	11:06:28
27-Dec-00	11:07:13	25000	120.25	Amgis	H(onlooker)	11:07:13	Goldcrest	Onlooker	11:07:11
27-Dec-00	11:08:07	25000	120.1	Amgis	H(onlooker)	11:08:07	Goldcrest	Onlooker	11:08:04
08-Jan-01	10:38:37	25000	119.5	Amgis	H(Habiscus)	10:38:37	Goldcrest	Habiscus	10:38:25
08-Jan-01	10:39:12	25000	119	Amgis	H(Habiscus=8903& S J Impex 16093)	10:39:12	Goldcrest	Habiscus	10:38:57
11-Jan-01	10:25:18	50000	118.75	Amgis	O(Habiscus=48961& S J Impex=1039)	10:25:18	Goldcrest	Habiscus	10:25:06
11-Jan-01	10:26:14	50000	118.85	Amgis	O(Mayfair)	10:26:14	Goldcrest	Habiscus	10:25:44
17-Jan-01	10:15:56	25000	122	Amgis	M(Alkan Projects)	10:15:56	Goldcrest	Habiscus	10:15:39
17-Jan-01	10:16:08	25000	123	Amgis	M(Alkan Projects)	10:16:08	Goldcrest	Habiscus	10:16:06
17-Jan-01	10:16:26	25000	124	Amgis	M(Alkan Projects=15000 & M'Belle=10000)	10:16:26	Goldcrest	Habiscus	10:16:21
17-Jan-01	10:17:07	25000	123.75	Amgis	M(M'Belle=22236 & Alkan Proj 2764)	10:17:07	Goldcrest	Habiscus	10:16:50
18-Jan-01	13:48:57	36000	121.75	Amgis	M(M' belle)	13:48:57	Goldcrest	Habiscus	13:48:52
24-Jan-01	10:29:21	34800	124	Amgis	AMBEL(M'Belle=19910& Alkan=14890)	10:29:21	Goldcrest	Alkan Projects	10:29:07
24-Jan-01	10:29:34	200	124	Amgis	AMBEL(Alkan Proj)	10:29:34	Goldcrest	Alkan Projects	10:29:07
31-Jan-01	10:00:57	10000	131.5	Amgis	M(M'Belle=2675& Onlook=7325)	10:00:57	Goldcrest	Jyoti Mehta	10:00:56
31-Jan-01	10:11:34	89900	124	Amgis	M(Onlooker=89675 & S J Impex= 225)	10:11:34	Goldcrest	Onlooker	10:11:33
31-Jan-01	10:13:31	39800	124	Amgis	A(M'Belle)	10:13:31	Goldcrest	Habiscus	10:13:29
31-Jan-01	10:14:00	200	124	Amgis	A(Onlooker)	10:13:31	Goldcrest	Habiscus	10:14:00
31-Jan-01	10:14:01	49800	124	Amgis	A(M'Belle=37600 & Alkan 12200)	10:14:01	Goldcrest	Habiscus	10:14:00
31-Jan-01	10:14:27	50000	124.25	Amgis	A(Onlooker)	10:14:27	Goldcrest	Habiscus	10:14:24
31-Jan-01	10:15:21	49800	124	Amgis	H(M'Belle =	10:15:21	Goldcrest	Ami Impex	10:15:20
31-Jan-01	11:00:49	50000	124.75	Amgis	M(M'Belle=40000 & Onlooker=10000)	11:00:49	Goldcrest	Ami Impex	11:00:42
7-Feb-01	10:10:10	20000	128.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:10:10	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:10:00
14-Feb-01	10:19:14	49500	127.65	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:14	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:09
14-Feb-01	10:19:24	500	127.65	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:24	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:09
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42

14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42

14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	4300	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:45	3800	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:45	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:19:59	500	127.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:19:59	Goldcrest Capital Markets Ltd	Alkan Projects Pvt. Ltd.	10:19:42
14-Feb-01	10:21:18	50000	123.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:21:18	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:21:18
14-Feb-01	10:24:29	50000	122.00	Amgis Holdings Pvt Ltd	Alkan Project Pvt. Ltd.	10:24:29	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:24:29
14-Feb-01	10:25:09	57000	121.75	Amgis Holdings Pvt Ltd	Alkan Project Pvt. Ltd.	10:25:09	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:25:09
14-Feb-01	10:28:28	45000	122.75	Amgis Holdings Pvt Ltd	Alkan Project Pvt. Ltd.	10:28:28	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:28:28
28-Feb-01	10:00:03	34900	124.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:00:03	Goldcrest Capital Markets Ltd	Jyoti J. Meh	10:00:03
28-Feb-01	10:00:13	100	124.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:00:11	Goldcrest Capital Markets Ltd	Jyoti J. Meh	10:00:11
28-Feb-01	10:05:05	27200	121.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:05:05	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:05:05
28-Feb-01	10:05:41	25800	121.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:05:41	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:05:41
28-Feb-01	10:09:54	87200	120.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:09:54	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:09:54
28-Feb-01	10:11:23	48600	120.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:11:23	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:11:23
28-Feb-01	10:12:39	68400	121.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:12:39	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:12:39
28-Feb-01	10:13:19	32800	120.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd. (25000) Onlooker (7800)	10:13:19	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:13:19
14-Mar01	9:58:06	10000	115.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	9:58:06	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	9:58:06
14-Mar01	10:03:04	25000	115.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:03:04	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:03:04
14-Mar01	10:03:23	30000	114.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:03:23	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:03:23
14-Mar01	10:04:04	20000	114.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:04:04	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:04:04
14-Mar01	10:13:31	24930	112.25	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:13:31	Goldcrest Capital Markets Ltd	Jyoti J. Meh	10:13:31
14-Mar01	10:13:40	70	112.25	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:13:40	Goldcrest Capital Markets Ltd	Jyoti J. Meh	10:13:40
14-Mar01	10:14:09	15000	112.25	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:14:09	Goldcrest Capital Markets Ltd	Jyoti J. Meh	10:14:09
14-Mar01	10:20:29	25000	110.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:20:29	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:20:29
14-Mar01	10:21:13	25000	113.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:21:13	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:21:13
14-Mar01	10:21:39	15000	112.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:21:39	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:21:39
14-Mar01	10:21:56	15000	112.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:21:55	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:21:55
14-Mar01	10:22:47	9000	113.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:22:47	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:22:47
14-Mar01	10:23:09	11000	112.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:23:04	Goldcrest Capital Markets Ltd	Onlooker Investments Pvt. Ltd.	10:23:04
15-Mar01	10:01:19	25000	110.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:01:19	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:01:19
15-Mar01	10:01:50	14950	112.00	Amgis Holdings Pvt Ltd	M'Belle International (14930), Onlooker Investments Pvt. Ltd. (20)	10:01:50	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:01:50
15-Mar01	10:01:59	50	112.00	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:01:59	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:01:59
15-Mar01	10:02:30	15000	112.25	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:02:30	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:02:30
15-Mar01	10:03:48	25000	111.50	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:03:48	Goldcrest Capital Markets Ltd	Habiscus Investments Pvt. Ltd.	10:03:48
15-Mar01	10:05:02	15000	111.75	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd. (10000), Onlooker (5000)	10:05:02	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:05:02
15-Mar01	10:05:24	35000	111.90	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:05:24	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:05:24
15-Mar01	10:05:56	15000	112.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:05:56	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:05:56
15-Mar01	10:06:38	25000	112.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:06:38	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:06:38
15-Mar01	10:07:28	10000	111.00	Amgis Holdings Pvt Ltd	M'Belle International Pvt. Ltd.	10:07:28	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:07:28
15-Mar01	10:08:07	15000	111.50	Amgis Holdings Pvt Ltd	Onlooker Investments Pvt. Ltd.	10:08:07	Goldcrest Capital Markets Ltd	M'Belle International Pvt. Ltd.	10:08:07

5.11 I find from the above table that 76 structured deals were executed between said two brokers amounting to 18,47,000 shares. Both buy and sell orders have been placed at approximately same time at a price higher than the previous traded price for some trades. The three among the Noticees viz. M/s Alkan, M/s Habiscus and M/s Onlooker who were related to each other as stated above, are these members. In 10 trades amounting to 2,97,000 shares, one of the Noticees M/s M'Belle was buying shares through M/s. Amgis and selling shares through M/s. Goldcrest at the same time. Onlooker has bought shares through M/s. Amgis and sold shares through M/s. Goldcrest at the same time. 15 trades amounting to 1,32,910 shares have been executed on behalf of the one of them and M/s Alkan on the sell side. Further, 3 structured deals amounting to 1,52,000 shares have been executed on behalf of M/s Alkan on the buy side and M/s M'Belle on the sell side. 11 trades have been executed on behalf of M/s M'Belle on the buy side and M/s Habiscus on the sell side. 5 trades amounting to 88,000 shares have been executed on behalf of the client M/s M'Belle on the buy side. 4 structured deals amounting to 1,15,000 shares have been executed on behalf of M/s Onlooker on the buy side and M/s M'Belle on the sell side. As stated above, all these entities (Noticees) are related to each other and the company M/s Roofit through M/s Pals.

5.12 I find that M/s Pals (Clearing no. 314) had traded on behalf of five of the Noticees namely M/s Alkan, M/s M'Belle, M/s Onlooker, M/s Akira & M/s Mayfair Realtors. I find that all these Noticees purchased 23,100 shares of Roofit.

5.13 I find that M/s. Goldcrest had traded at NSE on behalf of five of the Noticees namely M/s Alkan, M/s M'Belle, M/s Onlooker, M/s Habiscus & M/s Mayfair Realtors and sold a total of 19,33,000 shares. M/s. Goldcrest had also traded at BSE on behalf of five of the Noticees namely M/s Alkan, M/s Vynex, M/s M'Belle, M/s Onlooker, M/s Habiscus, M/s Mayfair Paper & M/s Mayfair Realtors and sold a total of 19,33,000 shares.

5.14 I observe that M/s Alkan has traded through both M/s. Goldcrest and M/s. Pals and executed several matched / structured deals. M/s. Goldcrest acted as a seller and M/s. Pals acted as a buyer at all times. Details are given below:

5.15 On 22/01/2001 in settlement No. 44, buying member M/s Pals and counter party selling member M/s Goldcrest executed several matched/synchronised trades on behalf of some of the Noticees who were related to each other and the company M/s Roofit through M/s Pals.

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Cig. No.	Buy Order ID	Ultimate Clients	Order Time				Cig. No.	Order Time	Sell Order ID	Ultimate Clients
314	0857	Alkan Projects M'Belle International Inter	10:18:41	122	9,000	10:18:47	326	10:18:46	4060	Alkan Projects
					21,000					
314	0858	Alkan Projects M'Belle International Inter	10:22:53	122	3,000	10:22:54	326	10:22:49	4062	Alkan Projects
					27,000					

314	0860	Alkan Projects	10:23:43	122.1	15,000	10:23:43	326	10:23:32	4063	Alkan Projects
		M'Belle Inter			15,000					
314	0861	Alkan Projects	10:24:34	121.5	21,000	10:24:34	326	10:24:33	4064	Vynex Chemicals
		M'Belle Inter			14,000					
314	0862 & 0863	Alkan Projects	10:29:31	122	15,000	10:29:32	326	10:29:30	4067	Mayfair Paper & Boards Pvt. Ltd.
		M'Belle Inter			20,000	10:30:06				
		Alkan Projects			500	10:30:10				
		M'Belle Inter			15,000	10:30:27				
314	0865	Alkan Projects	10:31:50	122	2,500	10:31:51	326	10:31:46	4069	Mayfair Paper & Boards Pvt. Ltd.
		M'Belle Inter			22,500					
314	0866	Alkan Projects	10:32:29	122	18,000	10:32:29	326	10:32:29	4070	Mayfair Paper & Boards Pvt. Ltd.
		M'Belle Inter			2,000					
314	1237	Alkan Projects	13:01:05	122	7,000	13:01:05	326	13:00:37	4073	Mayfair Paper & Boards Pvt. Ltd.
		M'Belle Inter			3,000					
314	1238	Alkan Projects	13:01:53	122	25,000	13:01:54	326	13:01:47	4074	Mayfair Paper & Boards Pvt. Ltd.
314	1239	Alkan Projects	13:02:31	122	25,000	13:02:31	326	13:01:21	4075	Mayfair Paper & Boards Pvt. Ltd.

5.16 It is also found from the said table that two of the Noticees were putting combined buy orders. Similarly in settlement no 45 that is on 29/01/2001, the said two brokers executed several matched some of the Noticees as evident from the table hereunder:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	1413	M'Belle Inter	10:03:41	132	42,000	10:03:41	326	10:03:39	4122	Jitendra Mehta
314	1416	M'Belle Inter	10:04:34	126	100	10:04:35	326	10:04:28	4123	Habiscus Invest
	1417		10:04:58	126	49,500	10:04:59				
	1418		10:05:24	126	5,400	10:05:24				
314	1421	M'Belle Inter	10:06:03	126	25,000	10:06:03	326	10:05:57	4124	Alkan Projects

5.17 I also find that the same pattern of matched/synchronised trades were followed by the said two brokers, M/s. Pals and M/s Goldcrest in settlement nos. 46, 47, 48, 49 and 50 on 05/02/2001, 12/0 respectively. The details of the said trades had already been furnished to the Noticees alongwith the show cause notices.

5.18 Further, on 19/03/2001 in settlement no 52, M/s. Pals had put in buy orders on behalf of one the Noticee M/s Belle and the counter part broker M/s Express (Clg.No.192) put in sell order for a details are hereunder:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
On 19/03/2001										
314	2397	M'Belle Inter	10:01:29	111	20,000	10:01:29	192	10:01:16 10:01:28 (U)	76299	Onlookers Invest
314	2398	M'Belle Inter	10:02:16	112	20,000	10:02:17	192	10:02:07	76301	Onlookers Invest
314	2399	M'Belle Inter	10:02:51	112.5	25,000	10:02:51	192	10:02:45	76302	Onlookers Invest
314	2400	M'Belle Inter	10:03:30	112	25,000	10:03:30	192	10:03:25	76303	Onlookers Invest
On 21/03/2001										
314	2478	M'Belle Inter	10:38:38	110	20,000	10:38:38	192	10:38:34	79081	Onlookers Invest
314	2479	M'Belle Inter	10:39:19	110.5	20,000	10:39:19	192	10:39:11	79082	Onlookers Invest
314	2480	M'Belle Inter	10:44:55	110	20,000	10:44:55	192	10:44:53	79083	Onlookers Invest
On 22/03/2001										
314	2498	M'Belle Inter	10:14:26	110	20,000	10:14:26	192	10:14:23	80486	Onlookers Invest
314	2499	M'Belle Inter	10:14:50	110	20,000	10:14:50	192	10:14:50	80487	Onlookers Invest
314	2500	M'Belle Inter	10:15:22	111	20,000	10:15:22	192	10:15:15	80488	Onlookers Invest
314	2501	M'Belle Inter	10:16:11	110.95	20,000	10:16:11	192	10:15:48 10:16:00(U)	80489	Onlookers Invest
314	2502	M'Belle Inter	10:16:34	110.95	20,000	10:16:34	192	10:16:30	80491	Onlookers Invest

5.19 In Settlement No. 02 on 02/04/2001, M/s Pals tried to influence the closing price by putting buy orders at higher prices than the existing price. There was no other buyer at price higher than executed against the pending sales order of the day. It has bought 3,180 shares for M/s. M'Belle. The price rise was as follows:

Date	Time of order	Qty.	Order Price (Rs.)	Time of order	Price of previous	Executed Price
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				execution	trade executed (Rs.)	(Rs.)
02/04/01	15:14:24	55	108	15:14:24	106.75	107.5 to 107.8
The orders between 15:14:24 to 15:20:46 were executed at Rs.107.8-Rs.108.9 and mostly the orders were of Clg. No. 314						
	15:20:46	1,000	109.5	15:20:46	108.9	108.9 to 109.4
	15:22:55	10	114.5	15:22:55	109.4	114.5 (last trade)

5.20 I find from the trade and order log on 03/04/2001 in settlement. No. 02 that M/s M Belle as a buying client of M/s Pals executed matched trades for 80,000 shares with another Noticee M/s Onloc. Noticees placed their respective buy and sell orders about the same time.

5.21 I find from the trade and order log on 10/04/2001 in settlement. No. 03 that M/s. Pals has bought 785 shares for the Noticee M/s. Akira and on 12/04/2001 in settlement no. 03 till 15:15:00. I find Akira with price ranging between Rs.103-Rs.107. Then, at 15:15:59, it placed buy order of 27,000 shares for Rs.109 for M/s. Akira and the order for 2,000 shares got executed with other brokers. The remaining 25,000 shares were executed against sell order for 25,000 shares at Rs.109 at 15:15:51 punched by M/s. Bharat. Thus, the two parties, M/s. Pals and M/s. Bharat have the day both the brokers had matched 3 trades totalling to 75,000 shares. After the trades were matched M/s. Pals did not place any further order. The last trade was executed at 15:29:29 for 20 brokers. Therefore M/s. Pals has influenced prices while matching the trades. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3005	Akira Invest P.L.	15:15:59	109	25,000	15:16:00	763	15:15:51	9612	Pat Fin Con.
314	3006	Akira Invest P.L.	15:16:25	110	23,675	15:16:25	763	15:16:15	9613	Pat Fin Con.
314	3007		15:16:44		1,325	15:16:44				
314	3008	Akira Invest P.L.	15:17:07	110	25,000	15:17:07	763	15:16:53	9614	Pat Fin Con.

5.22 On 17/04/2001 in settlement no. 04, the last trade executed prior to the self trade by M/s. Pals was at 13:23:30 for 50 shares at Rs.106.80. M/s. Pals entered into self trade of 15,020 shares which was buying as well as counter party selling client. The details of the same are hereunder:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3040	Akira Invest P.L.	14:25:30	108	15,020	14:25:30	314	14:25:29	2100	Akira Invest P.L.

5.23 On 19/04/2001 in settlement no. 04, the last trade to be executed was at 12:04:57 for 2 shares at Rs.107.05 before M/s. Pals punched in buy order for 25,000 shares at 14:14:04 for Rs.108.8 order for 25,000 shares at 14:14:05 for Rs.108. It is therefore, established that both the brokers have entered into a matched trade. During the day, both the brokers had entered into 5 matched trades. Pals dealt on behalf of one of the Noticee M/s Akira while M/s Bharat dealt for M/s Hinduja Fin Corp.

5.24 On 20/04/2001 in settlement no. 04 till 15:29:17 there was not much influence on the price. M/s Pal bought 405 shares for M/s. Akira in the price range Rs.106-Rs.107. Then when order was punched at Rs.108, the same got executed for 397 shares in the price range of Rs.106.95 to Rs.108 at 15:29:17 and the unexecuted order for 103 shares was deleted at 15:29:32. Similarly, order was punched at Rs.108.8. The same got executed at 15:29:58 with prices from Rs.108 to Rs.108.8. The last order was executed at 15:42:49 for Rs.107.55 for 2 shares amongst other members. Thus, I find from the trade and order log that M/s Pal created artificial volume and tried to influence the price of the scrip.

5.25 I find from the trade and order log on 27/04/2001 in settlement .No.05 that M/s Pals placed single order for more than one Noticee on many times as evident from the table given below:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3184	Akira Invest P.L.	13:52:19	108	12,000	13:52:20	763	13:52:14	9908	Pat Fin. Con.P.L.
		Mayfair Realtors			13,000					
314	3185	Akira Invest P.L.	13:52:41	108.25	15,000	13:52:41	763	13:52:40	9909	Pat Fin Con . P.L.
		Mayfair Realtors			10,000					
314	3186	Akira Invest P.L.	13:53:05	108.25	15,000	13:53:05	763	13:53:04	9910	Pat Fin Con. P.L.
		Onlookers Invest			5,970					
		Mayfair Realtors			9,000					
		Mayfair Realtors	13:53:20		30	13:53:20				
314	3188	Akira Invest P.L.	13:55:36	108	1,250	13:55:42	763	13:55:41	9911	Pat Fin Con. P.L.
		Mayfair Realtors			1,250					
314	3189	Akira Invest P.L.	14:00:42	108	600	14:00:42	763	14:00:40	9912	Ami Impex
		Mayfair Realtors			2,400					

5.26 I also find from the above table that two of the Noticees placed combined buy orders. I also find that the above five trades for 85,500 shares were matched/synchronised in nature. Likewise, on 02/05/2001 in settlement no. 06, M/s. Pals and M/s. Bharat J Patel have entered into 2 matched trades. The said matched deals, buying client was M/s Akira who was the client of M/s Pals.

5.27 I find even on 04/05/2001 in settlement no. 06 that the said two brokers were involved in 4 matched trades totalling 1,00,000 shares. For the said matched deals, buying client was M/s Akira a client of M/s Pals.

5.28 On 12/04/2001 in settlement no. 03, M/s Pals executed three matched trades with M/s Bharat totalling to 75,000 shares. In all three trades, M/s Akira was the ultimate buying client of M/s Pals.

5.29 On 19/04/2001 in settlement no. 04, M/s. Bharat entered into 5 matched trades totalling 120,000 shares with M/s. Pals. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3074	Akira Invest P.L.	14:14:04	108	25,000	14:14:05	763	14:14:05	9739	Hinduja Cor. Fin
314	3075	Akira Invest P.L.	14:14:26	108.2	25,000	14:14:26	763	14:14:21	9740	Hinduja Cor. Fin
314	3076	Akira Invest P.L.	14:14:48	108	24,750	14:14:48	763	14:14:48	9741	Hinduja Cor. Fin
	307		14:15:02		250	14:15:02				
314	3078	Akira Invest P.L.	14:15:19	108	25,000	14:15:20	763	14:15:18	9742	Hinduja Cor. Fin
314	3080	Akira Invest P.L.	14:38:50	108.05	20,000	14:38:50	763	14:38:47	9743	Hinduja Cor. Fin

5.30 On 26/04/2001 in settlement no. 05, M/s. Bharat entered into 6 matched trades totalling 96,000 shares, with M/s. Pals. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3165	Akira Invest P.L.	14:26:43	108.4	10,000	14:26:43	763	14:26:43	9895	Pat Fin. Con.P.L.
		Onlookers Invest			15,000					
314	3166	Akira Invest P.L.	14:26:57	108.4	12,500	14:26:58	763	14:26:58	9896	Pat Fin Con.P.L.
		Onlookers Invest			5,000					
		Mayfair Realtors			7,500					
314	3173	Akira Invest P.L.	14:52:26	108.4	25,000	14:52:26	763	14:52:24	9898	Pat Fin Con.
314	3174	Akira Invest P.L.	14:53:04	108.4	5,000	14:53:04	763	14:53:01	9899	Pat Fin Con. P.L.
		Mayfair Realtors			5,000					
314	3175	Akira Invest P.L.	14:54:33	108.4	2,800	14:53:04	763	14:54:31	9900	Pat Fin Con. P.L.
		Mayfair Realtors			1,200					
314	3176	Akira Invest P.L.	15:15:28	108	3,500	15:15:28	763	15:15:27	9901	Ami Impex
		Mayfair Realtors			3,500					

5.31 M/s. Bharat sold shares for its related client M/s. Pat Fin. M/s. Bharat matched its trades with M/s. Onlooker, M/s. Mayfair Realtors and M/s Akira who are related to the promoter / director of the cc

5.32 On 27/04/01 in settlement no. 05, M/s. Pals bought 722 shares during the day for Rs.104.25-Rs.107.9. The last executed trade price was Rs.104.25 for 107 shares at 13:15:59. Then, M/s. Bharat at 13:52:14 for Rs.108 and M/s. Pals put in a buy order for 25,200 shares at 13:52:19 for Rs.108. The order for 125 shares by M/s. Pals got executed at Rs.107-Rs.107.9 and order for 75 shares members. The order for 25,000 shares got executed with M/s. Bharat. During the day, both the brokers matched 5 trades totalling 85,500 shares. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3184	Akira Invest P.L.	13:52:19	108	12,000	13:52:20	763	13:52:14	9908	Pat Fin. Con.P.L.
		Mayfair Realtors			13,000					
314	3185	Akira Invest P.L.	13:52:41	108.25	15,000	13:52:41	763	13:52:40	9909	Pat Fin Con. P.L.
		Mayfair Realtors			10,000					
314	3186	Akira Invest P.L.	13:53:05	108.25	15,000	13:53:05	763	13:53:04	9910	Pat Fin Con. P.L.
		Onlookers Invest			5,970					
		Mayfair Realtors			9,000					
		Mayfair Realtors			30	13:53:20				
314	3188	Akira Invest P.L.	13:55:36	108	1,250	13:55:42	763	13:55:41	9911	Pat Fin Con. P.L.
		Mayfair Realtors			1,250					
314	3189	Akira Invest P.L.	14:00:42	108	600	14:00:42	763	14:00:40	9912	Ami Impex
		Mayfair Realtors			2,400					

5.33 On 30/04/2001 in settlement no. 06, total shares traded during the day were 10,105. Out of these, M/s. Pals and M/s. Bharat have entered into matching transactions for 10,000 shares. These were the day. The trade executed prior to these trades was for 100 shares at Rs.110 at 10:33:08. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Clg. No.	Buy Order ID	Ultimate Clients	Order Time				Clg. No.	Order Time	Sell Order ID	Ultimate Clients
314	3215	Akira Invest P.L.	14:08:53	107.5	5,000	14:08:54	763	14:08:50	9979	Ami Impex
314	3216	Akira Invest P.L.	14:09:30	107.5	5,000	14:09:31	763	14:09:16	9980	Ami Impex

5.34 On 04/05/2001 in settlement no. 06, M/s. Bharat matched 4 trades totalling 100,000 shares with M/s. Pals. The trades matched during the day were as follows:

BUYER MEMBER				Price (Rs.)	Qty	Executed Time	SELLER MEMBER			
Cig. No.	Buy Order ID	Ultimate Clients	Order Time				Cig. No.	Order Time	Sell Order ID	Ultimate Clients
314	3265	Akira Invest P.L.	11:08:08	107	24,500	11:08:08	763	11:07:49	10153	Pat Fin Con. P.L.
	3266		11:08:54		500	11:08:55				
314	3266	Akira Invest P.L.	11:08:54	107	25,000	11:08:55	763	11:08:52	10154	Pat Fin Con
314	3267	Akira Invest P.L.	11:09:23	107.25	25,000	11:09:23	763	11:09:22	10155	Pat Fin Con
314	3268	Akira Invest P.L.	11:09:43	107.4	25,000	11:09:43	763	11:09:41	10156	Pat Fin Con

5.35 M/s. Jayantilal (Clearing No. 329) had executed trades on behalf of its clients M/s Habiscus and M/s Onlooker. These trades were also influenced the price and volume in the scrip of Roofit. The settlement no. 34 (November 07, 1999 to November 12, 1999) is as under:

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	Trades	Volume	Turnover (Rs.)
07/11/1999	160.00	167.65	159.80	167.65	21	3000	496275
09/11/1999	175.00	181.05	162.05	181.00	59	9760	1713024
11/11/1999	195.45	195.45	191.10	194.10	123	20660	4014485
12/12/1999	187.00	196.00	182.55	194.80	93	16500	3126732

DEMAT ANALYSIS OF THE BROKERS VIS-À-VIS THE NOTICEES

5.36 Demat statement of the above mentioned brokers who had dealt for the Noticees were analysed and observed that some of the brokers were making adjustment for their clients (Noticees) concerned, which also highlights the close relationship / association between the Noticee and the brokers.

5.37 Further, the transfer of large quantity of shares belonging to clients of one broker to other brokers / clients only reflects that these brokers were aware that the related clients were dealing through ready to accommodate the net settlement obligations arising at other trading members. To make it clear, demat analysis of 3 major members is given below. I observe that that similar findings of brokers also.

a. Demat analysis of M/s Amgis

- In settlement no. 02, the brokers bought 53,288 shares for M/s. Mayfair Realtor and 51,076 shares for M/s. Habiscus. The brokers credited only 34,788 shares into M/s. Mayfair Realtor's Habiscus's a/c. The remaining 22,000 shares (1,04,364 – 82,364 = 22,000) remained in the broker's a/c.
- M/s. Amgis had purchased 2,32,520 shares for M/s. M'Belle in settlement no. 2001009. As per the NSE investigation report, M/s. Amgis transferred only 1,92,470 shares into M/s. M'Belle's account of another broker, M/s. Goldcrest.
- M/s. Amgis had purchased 2,02,100 shares for M/s. M'Belle in settlement no. 2001011. As per the NSE report, M/s. Amgis transferred 46,000 shares into the account of another trading member.
- Therefore, it appears that M/s. Amgis was making adjustment for its clients as far as delivery of shares was concerned, which also highlights the close relationship / association between the sale and transfer of large quantity of shares belonging to clients by the broker to other brokers only reflects that the broker was also aware that the client was dealing through other brokers and settlement obligations arising at other broker.

b) Demat analysis of M/s Goldcrest

- In settlement no. 2000053 of NSE, the broker had sold 1,50,000 shares for M/s. Onlooker and 25,000 shares for M/s. Mayfair Realtor. The broker's Pool demat statement shows that the broker sold M/s. Onlooker's A/c. and 1,20,000 shares from M/s. Habiscus's A/c to meet the pay-in obligation of settlement no. 2000053.
- In settlement no. 2001002 of NSE, the broker had sold 2,00,000 shares for M/s. Habiscus at NSE. Broker had received these shares from M/s. Alkan, M/s. Vynex and M/s. Mayfair Paper's account transactions for these clients at BSE. Thus, shares were received from BSE pool a/c. to meet the pay-in obligation at NSE.
- In settlement no. 2001003 of NSE, member had sold 1,36,000 shares for M/s. Habiscus. Member had received 42,000 shares from M/s. Mayfair Realtor's a/c and 39,000 shares were received from M/s. Goldcrest.
- In settlement no. 2001007 of NSE, M/s. Goldcrest had sold 93,000 shares for M/s. Alkan and 2,02,000 shares for M/s. M'Belle, amounting for 2,95,000 shares. Demat statement of the broker shows 3,05,000 shares from M/s. M'Belle on 23.02.2001. These shares were pledged with Bank of Punjab on 27.02.2001. The pledge was revoked on the same day and 2,95,000 shares out of 3,05,000 pay-in. Therefore, the trading member used shares received from M/s. M'Belle to make pay-in even for M/s. Alkan.
- In settlement no. 2001009 of NSE, M/s. Goldcrest sold 53,000 shares for M/s. Onlooker and 2,37,000 shares for M/s. M'Belle. Demat account of the broker reveals that the broker had received and 80,000 shares from M/s. Mayfair Realtors amounting to 3,35,000 shares. Out of these, 3,25,000 shares were used for making pay-in.
- In settlement no. 11 of NSE, M/s. Goldcrest had sold 1,00,000 shares for M/s. Onlooker, 1,25,000 shares for M/s. M'Belle and 1,55,000 shares for M/s. Habiscus. Demat statement of the broker shows the obligation of the above mentioned clients, 40,000 shares were received from the broker BSE beneficiary a/c. which in turn were received from the demat a/c. of M/s. Amgis. The remaining 3,00,000 shares of the broker through pledge closures. The shares pledged were received from different related clients / entities. Similar pattern was observed in other settlements.

c) Demat analysis of M/s Pals

- In settlement no. 45 (29.01.2001 – 02.02.2001), M/s. Pals – broker of BSE – had purchased 30,000 shares for M/s. M'Belle. M/s. Pals transferred these shares to M/s. Goldcrest's BSE beneficiary a/c. These 30,000 shares were pledged with Bank of Punjab on 12.02.2001. On 15.02.2001, pledge closure request was made for 20,000 shares by M/s. Goldcrest which were transferred to NSE Beneficiary a/c. of settlement no. 06. M/s. Goldcrest's trading details show that the broker had sold 20,000 shares for M/s. Alkan during settlement no. 06.
- In settlement no. 47, M/s. Pals had purchased 2,03,415 shares for M/s. M'Belle but payout was made for 2,01,850 shares out of which 1,66,850 shares were transferred into M/s. M'Belle's a/c. to Canara Bank (Inhouse a/c.) / 10026439 – the demat account of the group/ associated entity of M/s. Pals.
- In settlement no. 49, M/s. Pals had purchased 80,000 shares for M/s. Onlooker but made the delivery of the shares to Canara Bank (Inhouse a/c. 10026439).
- In settlement no. 52, M/s. Pals had purchased 67,800 shares for M/s. M'Belle but made the deliveries to Pat Financial Cons. Pvt. Ltd. (50,000 shares).
- In settlement no. 01, M/s. Pals had purchased 2,76,036 shares for M/s. M'Belle. Payout was made for 2,68,151 shares. Out of 2,68,151 shares, 351 shares were delivered to M/s. M'Belle's Superior Fin. Cons. Ser. P. Ltd., 67,800 shares were delivered to Sigma Credit & Cap. Ser. P. Ltd. and 80,000 shares were delivered to Canara Bank Inhouse a/c. 10026439.

TRANSFER OF SHARES

5.38 It is observed that for meeting settlement obligations, shares received in the BSE Pool a/c. of the broker were transferred from NSE Pool a/c. instead of clients' a/c. and vice versa and also shares of trading member were transferred to NSE Beneficiary a/c and thereafter to BSE Pool a/c. The details of the same are as under:

i) Shares transferred from NSE Pool A/c. to BSE Pool A/c.:

In BSE – settlement no. 44 (22.01.2001 – 25.01.2001) - M/s. Goldcrest sold 90,000 shares for M/s. Alkan, 35,000 shares for M/s. Vynex and 1,55,000 shares for M/s. Mayfair Paper & delivery on the pay-in day i.e. on 01.02.2001. Demat statement of M/s. Goldcrest shows that these shares were received from its NSE Pool A/c instead of clients' A/c.

The NSE Pool A/c. statement of M/s. Goldcrest shows that in settlement no. 04 (24.01.2001 – 30.01.2001) on 27.01.2001, 55,000 shares were received from M/s. Habiscus and 42,000 shares from M/s. Onlooker. 97,000 shares were transferred to NSE Clearing Corporation on 29.01.2001 (for Pay in of settlement no. 03). On 30.01.2001, member received 1,00,000 shares from M/s. Onlooker, 1,40,000 shares from M/s. Habiscus. Out of these 3,40,000 shares 60,000 shares were transferred to its NSE Beneficiary A/c. for pledging with Bank of Punjab on 31.01.2001 and balance BSE Pool A/c. to meet the pay-in obligation for settlement no. 44 at BSE.

Thus, the member has interchangeably used the shares received from one set of related clients to meet the pay in obligation of another set of related clients at both the exchanges. Some s Punjab for a day or so and later these shares were used to fulfil the pay-in obligations by closing the pledge request. In some cases reverse transfer of shares was also observed.

Similar adjustments were made in settlement no. 46, 47 and 48 by M/s. Goldcrest to meet its pay in obligation at BSE by transferring shares from NSE Pool a/c.

ii) Shares transferred from NSE Beneficiary A/c. to BSE Pool A/c.

In BSE - Settlement No. 45 (29.01.2001 – 02.02.2001) - M/s. Goldcrest sold 25,000 shares for M/s. Alkan, 55,000 shares for M/s. Habiscus and 42,000 shares for M/s. Jitendra Mehta. The shares was on 08.02.2001. Demat statement shows that these shares were received from NSE Beneficiary A/c.

From NSE Pool A/c. it was observed that in settlement no. 05 (31.01.2001 – 06.02.2001) on 02.02.2001, 1,13,000 shares were received from M/s. Alkan and 70,000 shares were received from M/s. Onlooker. 1,83,000 shares, 1,48,000 shares were transferred to its NSE Beneficiary A/c on 03.02.2001 and the remaining 35,000 shares were used to meet the pay-in obligation of settlement no. 04.

On 08.02.2001, 1,22,000 shares were transferred from NSE Beneficiary A/c. to BSE Pool A/c. to meet the pay-in obligation of shares at BSE for settlement no. 45.

Similar adjustment was made by M/s. Goldcrest to meet its pay-in obligation at BSE by transfer of shares from NSE Beneficiary A/c. in settlement no. 49, 50 and 51.

STATEMENT OF THE PARTIES

5.39 I observe that statements of the major parties were recorded to ascertain the nature and purpose of the trading pattern which are given hereunder:.

- i) During the course of his deposition on 14.02.2003, Shri Deven Mehta, director of the brokers M/s. Pals and M/s. Amgis, was asked by Investigating Authority whether he was aware if the executed trades are directly / indirectly related to each other and to the company M/s. Roofit. Shri Deven Mehta admitted *"that the clients M/s. Onlooker, M/s. Habiscus, M/s. Akira, M/s. Realtors are / were directly / indirectly related to each other"* as well as to *"M/s. Roofit"*.
- ii) In the course of his deposition, he also accepted that he had introduced the said clients to various brokers who acted as financiers for these related clients. He submitted that *"The clients Akira, M/s Alkan, M/s M'Belle, M/s. Mayfair Realtors were in need of funds and as they were known to us, on some occasions, we did introduce them to other brokers viz. M/s. Goldcrest Securities and M/s. Bharat J Patel"*.
- iii) The statement of Shri Tushar Tanna, Director M/s Goldcrest was recorded on 27.01.2003 and 10.02.2003. Shri Tanna accepted before the IA that the related clients for whom M/s introduced by Shri Deven Mehta.
- iv) He also submitted that M/s Goldcrest acted as a financier to these clients. He submitted that *"We were also to make spot payment to the clients though we were to receive the money on pay-out date. We were charging these clients a certain amount of pre-payment charges and brokerage for making these payments in advance. The pre-payment charges were the same as levied for approx. one settlement period which at that time was for one week. The pre-payment charge was approx. 1% of the transaction value. On pay-out dates, the money for remain with us rather than going to the clients, since we had already paid them off"*.
- v) It was also found that M/s Goldcrest received shares in advance in its NSE Pool a/c. or in its BSE Pool a/c. before placing sell order for these related clients and would transfer the share either of the exchanges. When confronted in this regard, Shri Tanna replied that *"We received these shares either in the NSE or the BSE pool account. However, the sale may not necessarily be in NSE. We would transfer the shares from the NSE to the BSE pool account or vice versa, as per the requirement of shares for pay-in. If we already had shares, in this account, we would save on demat charges"*.
- vi) Statements of other members viz. M/s Bharat, M/s Prashant and M/s Express were also recorded and all of them directly or indirectly admitted that these related clients were introduced in need of funds.

5.40 At this juncture I note that the transactions of the Noticees in the scrip of Roofit are a kind of structured deals. In the instant case, I find that the Noticee among themselves carried out the structured deals to create artificial volumes. The Noticee never disputed the said transactions. They have stated in their replies that the said trades were executed in their normal course of business. The said transactions are acceptable in view of the clear findings of manipulation.. I find that large volumes had been created by the Noticees by way of the above structured deals and creation of false market from which they derived certain. The said transactions cannot be termed as genuine transactions in view of its manipulative intent to influence the market.

5.41 Apart from the above, I find that all the Noticees neither cooperated nor furnished requisite information during the process of investigation in this matter. Accordingly, SEBI has launched proceedings under the appropriate provisions of SEBI Act, 1992 against all the eight Noticees. Four out of the said eight Noticees viz. M/s Alkan, M/s Mayfair Paper, M/s Vynex and M/s M'Belle approached the Securities and Exchange Board of India (SEBI) Tribunal (SAT) against the impugned order of Adjudicating Officer. SAT has reduced the penalty in case of first three Noticees while fully upheld the impugned order in the case of M/s M'Belle.

5.42 Having considered all the above aspects of the matter, I find that Noticees are related to the promoter/director of the company Roofit and were traded through many brokers by executing structured deals to create artificial volumes and manipulating/maintaining the price. Thus, the cycle of such transactions continued after settlement by entering into structured deals with the broking entity which ensured that Noticees did not lose control over their shares and that the cycle could be repeated. The said transactions are not intended to effect transfer of beneficial ownership but intended to cause fluctuation in the market price of the security. Thus, it is found that Noticees are responsible for creating false or misleading appearance of trading in the market and also entering into transactions. Hence I find that Noticee had violated provisions of Regulation 4 (b), 4 (c) and 4 (d) of PFUTP Regulations.

6.0 ORDER

6.1 Therefore, taking into consideration facts and circumstances of the case, I, in exercise of the powers conferred upon me under Sections 19 of the SEBI Act read with Sections 11(4) and 11B of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, do hereby restrain the Noticees from buying, selling and dealing or accessing the scrip of six months from the date of this order.

6.2 This order shall come into force with immediate effect.

Mumbai
January 09, 2007

SECURITIES /