

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. Pranav Securities Pvt. Ltd., member , Bombay Stock Exchange Ltd. (BSE) (SEBI Registration No. INB010714336) & National Stock Exchange (NSE) (SEBI Registration No. INB230714330) in the matter of the alleged transactions in the scrip of Padmalaya Telefilms Limited.

Date of hearing: 11.07.06

Appearances:

For Noticee: Shri Pranav Shah

Shri Rajesh Jain

For SEBI: Shri P. K. Nagpal - CGM

Shri Praveen Trivedi - DLA

Shri Bibhudutta Samal - Manager

Shri Amitesh Kumar – LO

1.0 FACTS

1.1 M/s Pranav Securities Pvt. Ltd. (hereinafter referred to as PSL) is registered with the Securities and Exchange Board of India (hereinafter referred to as SEBI) as a stock broker and is member of The Stock Exchange, Mumbai (hereinafter referred to as BSE) having SEBI registration no. INB010714336 and National Stock Exchange (NSE) having SEBI registration no. INB230714330.

1.2 SEBI had conducted investigation into the trading in the scrip of Padmalaya Telefilms Limited (hereinafter referred to as PTL) for the

period between October 3, 2000 and July 27, 2001. It was observed during investigation that PSL was one of the entities who had actively traded in the shares of PTL during the relevant period of time and contributed to the unusual spurt in the traded volumes of PTL, thereby facilitating manipulation in the scrip of PTL. At the time of investigation PTL was listed on BSE and Hyderabad Stock Exchange (HSE).

2.0 Appointment of the Enquiry Officer

- 2.1 Vide order dated September 10, 2003, an Enquiry Officer was therefore appointed by SEBI under Regulation 5 of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as the Enquiry Regulations) to enquire into the affairs of the broker in the matter of alleged manipulation in the shares of PTL and possible violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act), SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and the Securities and Exchange Board of India (Stock Brokers and Sub brokers) Regulations, 1992 (hereinafter referred to as Broker Regulations) by the said broker. Accordingly, a notice dated September 30, 2003 was issued to the said broker by the Enquiry Officer. The said broker while clarifying its position vis-à-vis the charges leveled against, submitted reply vide letter dated March 26, 2004 to the aforesaid notice. The said broker also appeared before the then Enquiry Officer on August 24, 2004 and reiterated the submissions made in its earlier reply.
- 2.2 Subsequently due to administrative reasons, a new Enquiry Officer was appointed vide order dated November 3, 2004. The new Enquiry Officer in order to get clarifications on certain issues, issued a notice of hearing dated December 15, 2004 to PSL to appear before her on January 25, 2005. The Enquiry Officer after conducting the Enquiry in terms of the Enquiry Regulations found that the said broker was guilty of facilitating manipulation of the scrip of PTL by creating artificial volumes. This resulted in violation of Regulation 4 (2)(a) & (b) of SEBI (Prohibition of

Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as FUTP Regulations). The Enquiry Officer also found that the said broker violated the provisions of Regulation 7 of the Broker Regulations, 1992. Having found the broker to have violated the above mentioned regulations, the Enquiry Officer in her report dated June 30, 2005 recommended a major penalty of suspension of the certificate of registration of the said broker for a period of four months.

3.0 Show Cause Notice, Reply and Personal Hearing

- 3.1 A copy of the said Enquiry Report along with a show cause notice dated July 14, 2005 was issued to the said broker under Regulation 13(2) of the Enquiry Regulations informing about the Enquiry Officer's findings and recommendation and advising it to show cause as to why action as may be considered appropriate should not be taken against it.
- 3.2 PSL replied to the said show cause notice vide letter dated July 27, 2005 and requested for a personal hearing in order to clarify its position. Accordingly, an opportunity of personal hearing was granted to the said broker on July 11, 2006. It was attended by Shri Pranav Shah and Shri Rajesh Jain. PSL also thereafter made a written submission vide letter dated July 25, 2006.
- 3.3 The submissions made by PSL through its replies, during the personal hearing and written submissions can be summarized as under:
 - a. The increase in the price of PTL from November 27, 2000 to December 19, 2000 was on account of an announcement by PTL at press conferences in December 2000, about a possible foreign collaboration between PTL and M/s Film Club, Los Angeles for a large animation project. This development created a lot of investor interest and the price rise coincided with the signing of the collaboration for a multimillion dollar deal.

- b. PSL was an institutional broking house for various Mutual Funds, Institutions, Foreign Brokers, FIIs etc. and these institutions requested PSL to show sizable lots to enable buying by them. In effect, all the purchases by PSL for their sister concerns were merely to achieve this objective.
- c. Most of the purchases were before the market collapse in February – March 2001. When the markets fell, the institutions lost interest in the scrip of PTL and hence PSL was not able to place the stock with the entities that had earlier evinced interest in PTL.
- d. PSL was stuck with huge quantities of shares of PTL with substantial value depletion i.e. from Rs.149/- to Rs.25/- from February 2001 onwards.
- e. PSL did not wait for the revival of the market and sold off its holdings at the prevailing market prices in July 2001 to the first available buyer, largely on the screen and in some cases, through negotiated deals.
- f. PTL being illiquid scrip, the volumes traded by PSL was quite significant.
- g. M/s C J Dalal was PSL's neighbour with their office just two doors away from PSL's office. As per the common market practice of giving and taking loans from fellow brokers on a short term basis with no interest, PSL had given a loan to C J Dalal on a short term basis without charging any interest. However, PSL was unaware that C J Dalal had picked up a stake in PTL, (through negotiated deals with PSL) which was less than 30% of the total purchases of PTL.
- h. Its clients; Shri Samir Shah, Shri Deepak Shah (related to Alka Shah and Veena Modi) and M/s Sonex Investments Ltd. were entities which were in favour of buying large media stocks at any price, in the wake of the success of public issue of TV18

and Cinevista in late 1999 and early 2000. These were only 4 of the 25 investors with whom PSL had placed over 3 lakh shares of PTL at Rs.100/- each in Jan – Feb 2000 on the promise and expectation from PTL, that the IPO would be completed before March 31, 2000.

- i. However, PTL did not come out with the IPO until May end 2000 and the market at that point of time was weak.
- j. It is normal that the investors fail to honour their commitments once their positions turn adverse. In case of PSL, out of the 25 clients, only three did not honour their commitments or sell their shares when the price was high.
- k. PSL had preconditioned that all the payments be made before the shares are transferred to its clients. Thus, the use of the term 'dummy client' was an unfair term for what was a normal commercial practice on recoveries.
- l. The discrepancy in information submitted to SEBI was only because valan wise details were compared with daily trade data. However, upon the corrected reports being compared, no discrepancies were found.
- m. The current matter on Padmalaya would be the first aberration if at all on the part of the said broker.

3.4 PSL also submitted printouts of the trades done by it directly in PTL for its institutional clients in support of its explanation for the trades in the counter at its end.

4.0 Consideration of issues and findings

4.1 I have carefully examined the facts and circumstances of the case, investigation reports, the Enquiry Report, replies filed by PSL and other material available on record. I have also considered the oral submission made by the representatives during personal hearing.

- 4.2 I have noted that the scrip of PTL was listed on the BSE on May 2000 and was traded in the compulsory rolling settlement w.e.f. July 24, 2000. The period of investigation ranged between October 3, 2000 and July 27, 2001 when the scrip was traded in the physical segment on the BSE. Incidentally the scrip was also traded in the rolling segment for 10 days during the period under investigation. The price of the scrip rose from Rs.78.50 on November 27, 2000 to Rs.140.40 on December 19, 2000 and the traded volumes rose from 73,968 shares as on November 27, 2000 to 6,74,123 shares on December 19, 2000. Thereafter, the price of the scrip declined from Rs.121.50/- on February 7, 2001 to Rs.24.95 on April 12, 2001. The average number of shares traded per day during the period from February 7, 2001 to April 12, 2001 was 26,500 shares. The price of the scrip subsequently rose from Rs.25/- on April 16, 2001 to Rs.68.75/- on May 29, 2001 with the average volume per day being 24,100 shares. The quantity of shares traded on the HSE was insignificant as compared to the volumes on the BSE.
- 4.3 As far as the trades executed by PSL are concerned, PSL was admittedly one of the major traders in the scrip of PTL during the period under investigation with a purchase of 21, 66,801 shares and sale of 23, 50,769 shares constituting 15.88% and 17.23% of the total purchases and sales made respectively in the said scrip on the BSE as opposed to 1,36,49,555 shares i.e., the total quantity traded on the BSE during the investigation period.

NEXUS OF PSL WITH THE MANAGEMENT OF PTL

- 4.4 During the course of the preliminary investigation, while submitting the distribution schedule of the company, PTL had drawn attention to the fact that PSL had acquired 11,30,617 shares of PTL as on June 30, 2001 amounting to 10.77% of the paid up capital of PTL. Out of these shares, around 7, 44,309 shares were offloaded by PSL within 12 trading days between July 12, 2001 and July 27, 2001.

- 4.5 I have perused the findings of BSE during their investigation along with the other available and related documents. One of the said documents contains the shareholding pattern of PTL as on February 29, 2000. In terms thereof, the Managing Director and Promoter of PTL, Shri G Adishesagiri Rao; alongwith friends, relatives and Associates (some of whom included Shri Sameer Mehta, Shri Pranav Shah, Shri Mukund Shah, Smt Alka Shah) are shown to have held around 19,30,500 shares out of 66,00,000 shares comprising the total paid up capital of PTL. This fact stands corroborated by Shri G Adishesagiri Rao in his statement dated June 17, 2003 made to SEBI. He emphatically stated that Shri Sameer Mehta, Shri Pranav Shah, Shri Mukund Shah, Smt Alka Shah are his friends/associates and that they were allotted shares of PTL on a private placement basis prior to the public issue. These facts were also brought to the notice to the Stock Exchange by PTL whereby Shri Sameer Mehta, Shri Pranav Shah, Shri Mukund Shah, Smt Alka Shah were shown as friends, relatives and associates of the promoter Shri G Adishesagiri Rao vide their submissions dated March 01, 2000. Shri Mukund Shah and Shri Pranav Shah are both directors of PSL, and held 40,000 shares and 10,000 shares of PTL respectively and were amongst the top 50 shareholders of PTL prior to its public issue.
- 4.6 For that matter, there is also on record, documents which show that PSL was amongst the top 50 shareholders of PTL and held around 3,45,000 shares of PTL prior to the public issue and was in fact the fifth largest shareholder of PTL. These shares were, however, offloaded before the investigation period. Shri G Adishesagiri Rao, in his statement dated June 17, 2003 before SEBI also confirmed that PSL was an advisor to the public issue of PTL and in collaboration deal had received a fee of Rs.50 lakhs from PTL.
- 4.7 From the facts stated above, it can be inferred that PSL was closely associated with the management/promoters of PTL prior to the public issue and was one of its top shareholders. The persons closely associated with PSL were also counted as one of the closest friends/relatives of the promoters to the extent that a large chunk of shares of PTL were placed privately in their favour prior to the public

issue.

- 4.8 I also note that there were two sister concerns of PSL (Member Code D0430), namely Pranav Financial Services (client code P023) and PFS Investments & Securities Pvt. Ltd. (client code P019) who were shown as its clients and had traded extensively in the scrip of PTL. PSL also traded on its own account through P-Sec Pvt. Ltd.(client code P025) which is the investment account of PSL. It is noted that all these entities had common addresses and directors as that of PSL. Their cumulative purchases and sales in the scrip of PTL during the period under investigation were 15, 41,243 and 13, 29,932 shares respectively. Vasanti Shah, director of PFS Investment and Pranav Financial Services sold 1,00,025 through PSL and Pranav Financial Services Pvt. Ltd. The clients traded amongst themselves on many occasions, without the accompanying transfer of shares/funds. Few such instances are brought out in the table given below:

Trade No	Buy Member Code	Buy Client Code	Sell Member Code	Sell Client Code	Qty	Price	Trade Date	Time
1	D0430	P019	D0430	P025	25,000	125.00	13-12-00	12:24:03
2	D0430	P019	D0430	P025	25,000	125.00	13-12-00	12:24:03
209	D0430	P025	D0430	P019	1,000	92.35	20-11-00	11:56:59
211	D0430	P025	D0430	P019	476	92.35	20-11-00	11:56:59
231	D0430	P025	D0430	P019	1,000	92.35	20-11-00	12:30:07
3782	D0430	P019	D0430	P019	1,210	104.30	07-12-00	15:43:56
5069	D0430	P019	D0430	P025	1,300	138.00	19-12-00	14:59:40
147	D0430	P025	D0430	PSE C	20,900	48.50	07-05-01	11:43:16
148	D0430	P025	D0430	PSE C	250	48.50	07-05-01	11:43:43
865	D0430	P023	D0430	P023	1,344	60.40	16-05-01	11:04:14

Client Codes: PFS: P023 PFSIS: P019 P-Sec: P025

- 4.9 It is also observed that whilst trading in the scrip of PTL, PSL was one of the few members who had placed buy orders, continuously at prices higher than that of the last traded price. This resulted in the scrip price reach daily highs as compared to the last traded price. The table given

below reveals the instances of PSL (Clg. No. 430) placing many such orders at higher prices:

Clg. No.	Buy / Sell	Order Type	Price	Qty	A/U/D	Date	Time	Order No.	Client
56	B	L	95.00	100	A	21-11-2000	11:27:49	5600500010012717	CR173
421	B	L	96.50	100	U	21-11-2000	11:30:17	42100600010017122	4035
722	B	L	95.05	300	A	21-11-2000	11:31:39	72200400010041900	J02301
430	B	L	98.00	250	A	21-11-2000	11:32:17	43000100010003437	P019
707	B	L	95.00	100	A	21-11-2000	11:32:35	70700300010043911	OFF
430	B	L	95.00	500	A	21-11-2000	11:33:03	43000100010003438	P019
430	B	L	96.75	100	A	21-11-2000	11:33:32	43000100010003439	P019
430	B	L	95.00	300	U	21-11-2000	11:34:00	43000100010003438	P019
430	B	L	96.75	100	A	21-11-2000	11:34:13	43000100010003441	P019
430	B	L	98.00	200	A	21-11-2000	11:34:37	43000100010003442	P019
62	B	L	95.05	25	A	21-11-2000	11:35:03	6200600010037853	S71
430	B	L	98.00	100	A	21-11-2000	11:36:47	43000100010003444	P019
578	B	L	95.10	100	A	21-11-2000	11:37:27	57800200010006598	4001
6	B	L	86.50	100	A	21-11-2000	11:37:28	600900010016963	A690
286	B	L	95.25	50	A	22-11-2000	9:58:30	28602600010021953	7600
578	B	L	88.00	200	A	22-11-2000	10:03:13	57800100010010837	5130
430	B	L	98.00	100	A	22-11-2000	10:04:06	43000100010003457	P019
430	B	L	98.00	500	A	22-11-2000	10:04:34	43000100010003458	P019
766	B	L	87.55	50	A	22-11-2000	10:05:05	43000100010003458	PK22
372	B	L	92.20	100	A	22-11-2000	10:05:35	37201400010002567	V
722	B	L	84.10	200	U	23-11-2000	14:59:15	72200100010012510	S1712
722	B	L	84.15	200	U	23-11-2000	14:59:26	72200100010012510	S1712
174	B	L	84.20	100	U	23-11-2000	14:59:38	17400300000005854	2
578	B	L	84.25	300	U	23-11-2000	14:59:42	57800100010010928	5130
174	B	L	84.30	100	U	23-11-2000	14:59:57	17400300000005854	2
430	B	L	87.00	1000	A	23-11-2000	15:00:35	43000100010003509	P019
718	B	L	82.10	720	U	23-11-2000	15:00:40	71801500010019446	V019
656	B	L	84.35	20	U	23-11-2000	15:00:53	65600500010019234	64
430	B	L	88.00	1000	A	23-11-2000	15:00:59	43000100010003510	P019
174	B	L	84.40	100	U	23-11-2000	15:01:05	17403000000005854	2
430	B	L	89.00	1000	A	23-11-2000	15:01:18	43000100010003511	P019
106	B	L	85.00	40	U	23-11-2000	15:01:41	10601900000007031	14023
148	B	L	85.00	500	A	23-11-2000	15:01:42	14800300010017567	7021
430	B	L	86.00	500	A	23-11-2000	15:01:48	43000100010003512	P019

Client Codes: PFS: P023 PFSIS: P019 P-Sec: P025

4.10 From an extract of the order log pertaining to the member, it is apparent that on May 11 and May 14, 2001, PSL showed interest in buying the

shares at higher prices as shown below. All the orders were placed on behalf of the client Pranav Financial Services; the sister concern of PSL.

Me m. Cod e	B/ S	Rate	Qty	A U D	Date	Time	Order No.	Clie nt code
430	B	42.50	2500	A	11-05-2001	12:57:32	43000400010006087	P023
430	B	44.00	1000	A	11-05-2001	12:58:46	43000400010006088	P023
430	B	43.00	1000	A	11-05-2001	12:59:08	43000400010006089	P023
430	B	45.00	2500	A	11-05-2001	12:59:47	43000400010006090	P023
430	B	44.00	1000	A	11-05-2001	13:00:26	43000400010006091	P023
430	B	46.00	1000	A	11-05-2001	13:01:41	43000400010006092	P023
430	B	45.00	500	A	11-05-2001	13:02:00	43000400010006093	P023
430	B	47.00	1000	A	11-05-2001	13:02:40	43000400010006094	P023
430	B	46.00	500	A	11-05-2001	13:10:08	43000400010006095	P023
430	B	47.00	2500	A	11-05-2001	13:12:06	43000400010006096	P023
430	B	46.00	1000	A	11-05-2001	13:12:47	43000400010006097	P023
430	B	47.00	1000	A	11-05-2001	13:18:57	43000400010006098	P023
430	B	48.00	500	A	11-05-2001	13:19:17	43000400010006099	P023
430	B	48.00	2000	A	11-05-2001	13:20:07	43000400010006100	P023
430	B	47.00	1000	A	11-05-2001	13:20:30	43000400010006101	P023
430	B	46.00	500	A	11-05-2001	14:27:58	43000400010006102	P023
430	B	46.00	500	A	11-05-2001	14:47:06	43000400010006103	P023
430	B	47.50	2500	A	11-05-2001	14:53:45	43000400010006104	P023
430	B	48.00	2500	A	11-05-2001	14:54:03	43000400010006105	P023
430	B	48.55	1000 0	A	11-05-2001	14:54:18	43000400010006106	P023
430	B	48.55	2500	A	11-05-2001	14:54:39	43000400010006107	P023
430	B	48.55	2500	A	11-05-2001	14:54:56	430004000100061	P023

							08	
430	B	48.55	1000	A	11-05-2001	14:55:33	43000400010006109	P023
430	B	48.55	2500	A	11-05-2001	14:56:01	43000400010006110	P023
430	B	48.55	1000	A	11-05-2001	14:56:44	43000400010006111	P023
430	B	50.00	500	A	14-05-2001	10:06:13	43000400010006129	P023
430	B	48.00	1000	A	14-05-2001	10:06:30	43000400010006130	P023
430	B	50.00	500	A	14-05-2001	10:11:21	43000400010006131	P023
430	B	51.00	500	A	14-05-2001	10:11:41	43000400010006132	P023
430	B	52.00	500	A	14-05-2001	10:29:23	43000400010006133	P023
430	B	52.00	500	A	14-05-2001	10:29:47	43000400010006134	P023
430	B	50.00	1000	A	14-05-2001	10:30:22	43000400010006135	P023
430	B	52.00	500	A	14-05-2001	10:32:26	43000400010006136	P023
430	B	51.00	500	A	14-05-2001	12:08:33	43000400010006137	P023
430	B	44.65	1000 0	A	14-05-2001	12:13:31	43000400010006138	P023
430	B	52.00	1000	A	14-05-2001	12:14:46	43000400010006139	P023
430	B	52.35	1500	A	14-05-2001	12:17:07	43000400010006140	P023
430	B	52.35	2500	A	14-05-2001	12:17:22	43000400010006141	P023

Client Codes: PFS: P023 PFSIS: P019 P-Sec: P025

4.11 Shri Rajesh Jain, Director and CEO of PSL in his statement dated December 13, 2002 to SEBI contended that “the stocks were picked for its clients in huge quantities from the market and mere quoting of these stocks at the market prices, would not have made it possible for it to pick up such huge quantities from the market and hence this mode of trading was not on account of any intention to rig the price of the scrip of PSL.”

4.12 I do not find any merit in the said argument. Assuming without accepting such a contention, every other member associated with the securities market would punch blocks of shares at high prices, allegedly for

ensuring the purchase of these shares, which could possibly lead to cornering of shares, besides the creation of an artificial market and manipulation in the price of the scrip, which is not the market determined price. It is a market phenomenon that no broker would prefer buying stocks at higher prices, unless the scrip is good enough in terms of value and economic fundamentals.

4.13 From the reading of the trades as indicated above (the instances mentioned/cited herein are few amongst many such actual instances), it is evident that although the quantity of the shares ordered were small, many such orders were placed for their related concerns (with client code P019) and the investment account of PSL (client code P025).

4.14 Apart from the trades discussed above, I have also observed that PSL had entered into cross deals where PSL was the broker (D0430) from both buy and sell sides. The details are as under:

Trade No	Buy Member Code	Buy Client Code	Sell Member Code	Sell Client Code	Qty	Price	Trade Date	Trade Time
206	D0430	P025	D0430	P019	524	92.35	20-11-00	11:56:59
209	D0430	P025	D0430	P019	1000	92.35	20-11-00	11:56:59
211	D0430	P025	D0430	P019	476	92.35	20-11-00	11:56:59
231	D0430	P025	D0430	P019	1000	92.35	20-11-00	12:30:07
311	D0430	P048	D0430	P019	200	104.90	05-12-00	09:59:22
1101	D0430	U001	D0430	P019	500	111.00	06-12-00	10:03:43
1104	D0430	U001	D0430	P019	500	111.00	06-12-00	10:03:43
1106	D0430	U001	D0430	P019	500	111.00	06-12-00	10:03:43
1107	D0430	U001	D0430	P019	500	111.00	06-12-00	10:03:43
1108	D0430	U001	D0430	P019	300	111.00	06-12-00	10:03:43
3775	D0430	H026	D0430	P019	290	104.00	07-12-00	15:29:46
3776	D0430	H026	D0430	P019	500	104.00	07-12-00	15:29:46
3777	D0430	H026	D0430	P019	500	104.00	07-12-00	15:29:46
3778	D0430	H026	D0430	P019	500	104.00	07-12-00	15:29:46
3779	D0430	H026	D0430	P019	500	104.00	07-12-00	15:29:46
3780	D0430	H026	D0430	P019	500	104.00	07-12-00	15:29:46
3782	D0430	P019	D0430	P019	1210	104.30	07-12-00	15:43:56
3786	D0430	H026	D0430	P019	5000	104.30	07-12-00	15:45:34
7924	D0430	ICICI	D0430	P025	20000	143.90	14-12-00	11:52:03
1766	D0430	S001	D0430	P019	235	149.75	19-12-00	09:58:58
1768	D0430	S001	D0430	P019	1500	149.75	19-12-00	09:58:58
1769	D0430	S001	D0430	P019	565	149.75	19-12-00	09:58:58

3310	D0430	SUNILT	D0430	H026	50	149.00	19-12-00	12:03:38
3311	D0430	SUNILT	D0430	H026	450	149.00	19-12-00	12:03:38
5069	D0430	P019	D0430	P025	1300	138.00	19-12-00	14:59:40
1392	D0430	P019	D0430	ICICI	73760	80.00	23-02-01	13:02:09
154	D0430	D017	D0430	D016	5000	42.25	14-03-01	10:22:01
147	D0430	P025	D0430	PSE C	20900	48.50	07-05-01	11:43:16
148	D0430	P025	D0430	PSE C	250	48.50	07-05-01	11:43:43
732	D0430	TARUS	D0430	P023	950	50.00	09-05-01	10:16:10
733	D0430	TARUS	D0430	P023	50	50.00	09-05-01	10:16:10
734	D0430	TARUS	D0430	P023	1000	50.00	09-05-01	10:16:10
735	D0430	TARUS	D0430	P023	450	50.00	09-05-01	10:16:10
736	D0430	TARUS	D0430	P023	550	50.00	09-05-01	10:16:10
737	D0430	TARUS	D0430	P023	950	50.00	09-05-01	10:16:10
738	D0430	TARUS	D0430	P023	50	50.00	09-05-01	10:16:10
739	D0430	TARUS	D0430	P023	1000	50.00	09-05-01	10:16:10
740	D0430	TARUS	D0430	P023	450	50.00	09-05-01	10:16:10
741	D0430	TARUS	D0430	P023	550	50.00	09-05-01	10:16:10
742	D0430	TARUS	D0430	P023	950	50.00	09-05-01	10:16:10
743	D0430	TARUS	D0430	P023	50	50.00	09-05-01	10:16:10
744	D0430	TARUS	D0430	P023	1000	50.00	09-05-01	10:16:10
745	D0430	TARUS	D0430	P023	450	50.00	09-05-01	10:16:10
746	D0430	TARUS	D0430	P023	550	50.00	09-05-01	10:16:10
747	D0430	TARUS	D0430	P023	950	50.00	09-05-01	10:16:10
748	D0430	TARUS	D0430	P023	50	50.00	09-05-01	10:16:10
781	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
782	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
783	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
784	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
785	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
786	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
787	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
788	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
789	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
790	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
791	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
792	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
793	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
794	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
795	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
796	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:21:45
797	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:21:45
798	D0430	TARUS	D0430	P023	850	50.00	09-05-01	10:22:16
799	D0430	TARUS	D0430	P023	150	50.00	09-05-01	10:22:16
865	D0430	P023	D0430	P023	1344	60.40	16-05-01	11:04:14
618	D0430	R061	D0430	P023	215	68.20	23-05-01	12:13:15
622	D0430	R061	D0430	P023	235	68.20	23-05-01	12:14:08

Client Codes: PFS: P023 PFSIS: P019 P-Sec: P025

4.15 Most of these trades (either buying or selling or both) pointed above were executed on behalf of its clients; PFS Investments (P019), or p-sec (P025) or Pranav Financial Services (P023).

4.16 This apart, during the period of investigation, the scrip was also traded on the rolling settlement on 10 days. However, the quantity traded in the rolling segment was only 3,86,525 shares, which is negligible as compared to the total volume in the scrip in physical segment. Most of the trades of PSL executed in the rolling segment were cross-deals as shown under:

Date	Buy Member	Sell Member	Qty	Price	Buy Client	Sell Client
08-Dec-00	PSL	PSL	500	112.60	Chandan Soni	Afnan Investments
08-Dec-00	PSL	PSL	2500	112.60	SM	Afnan Investments
08-Dec-00	PSL	PSL	100	112.60	Santosh Subramaniam	Afnan Investments
08-Dec-00	PSL	PSL	100	112.60	KARTA	Afnan Investments
08-Dec-00	PSL	PSL	200	112.60	Avni Mehta	Afnan Investments
08-Dec-00	PSL	PSL	100	112.60	Vijayalakshmi	Afnan Investments
08-Dec-00	PSL	PSL	100	112.60	P040	Afnan Investments
13-Dec-00	PSL	PSL	25000	125.00	PFS Investments	P Sec Pvt Ltd
13-Dec-00	PSL	PSL	25000	125.00	PFS Investments	P Sec Pvt Ltd
14-Dec-00	PSL	PSL	15000	143.00	ICICI	P Sec Pvt Ltd
18-Dec-00	PSL	PSL	25000	138.70	Taurus MF	P Sec Pvt Ltd
27-Dec-00	PSL	PSL	15000	112.50	P Sec Pvt Ltd	ICICI
28-Dec-00	PSL	PSL	50000	118.00	P Sec Pvt Ltd	ICICI
02-Jan-01	PSL	PSL	15000	120.00	ICICI	P Sec Pvt Ltd

4.17 From the details of the transactions given above, it is clear that trading was taking place between the same set of entities. PSL had entered into

structured deals with Indsec Securities (member code 096) and C J Dalal (member code 085) where the buy and the sell orders were placed within a minute of each other. The details of structured deals entered into between C J Dalal and PSL are given below:

Buyer Order No.	Buy Order Time	Buyer Member Code	Seller Member Code	Sell order Time	Qty	Price	Trade Date	Time	Client code	Client Type
0850010010009244	12:00:55	D0085	D0430	12:00:58	500	50.05	12.07.2001	12:00:58 PM	A	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	1400	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35	100	50	12.07.2001	12:34:35 PM	O	C
8500200010006698	12:34:25	D0085	D0430	12:34:35						

- 4.18 A close reading of all the said deals evidences the fact that there was a matching of the buy and the sell quantity, as well as price. The buy and the sell orders were also placed at almost the same time, with just a difference of about a minute.
- 4.19 Upon considering the submissions by PSL, I am of the considered opinion that, had the trades executed by PSL been genuine, the possibility of such perfect matching would not have been possible. This is too much of a coincidence. One or two deals on the exchange may be synchronized but trades to the extent of 51 deals as pointed out in the table above are definitely done with some inbuilt component of 'intent' involved. Greater the number of synchronized trades, the larger are their chances of not being genuine in nature. Accordingly, it is bound to adversely affect the market equilibrium.
- 4.20 The basis of holding these trades as synchronized trades is in conformity with the principles as given by the Securities Appellate Tribunal in the case of **Nirmal Bang Securities (P) Ltd. Vs SEBI** in which SAT has enumerated the basis for establishing the charge of matched trades viz., complete matching of order time, order quantity and order rate over a period of time.
- 4.21 PSL has submitted that on account of PTL being a good investment stock and since it was an institutional broking house, its institutional clients had asked it to show sizable lots to enable them to make investments in the scrip. The fact that PSL was aware of PTL being illiquid scrip is apparent from the quantity of trades executed by it in the scrip of PTL in order to create significant volumes. Had the scrip been liquid and with sound fundamentals, the need to show an element of stock market activity in the scrip would not have arisen. This clearly reflects manipulative intent of the broker PSL.
- 4.22 As brought out earlier, trades were being executed by PSL without the resultant transfer of funds/securities. These trades are effectively fictitious in nature, as there is no transfer of beneficial ownership. A scrip with sound fundamentals would have attracted many buyers, without any

market activity and would not have had to rely upon the practices as in the present case of PSL i.e. artificial trades being effected or demand purchases being made by brokers to place buy orders at prices, higher than the last traded price (to establish prices) as well as entering into large scale trades that were synchronized in nature. Besides, cross deals, were also executed by PSL and that too, on behalf of its sister concerns. These dealings of PSL clearly indicate its intention to manipulate the price of the scrip of PTL and create artificial volumes, without any change in beneficial ownership. Hence, the contention of PSL that it had executed trades of the nature explained above, merely to achieve its objective of showing the scrip as good for investment, cannot be accepted at all.

- 4.23 The contention of PSL, viewed from the angle of its accumulation of huge stocks so as to offer to institutional clients as and when the offer was received, also seem untenable. The argument that such heavy investments were traded in such illiquid scrip merely to appease institutional clients sounds absurd to say the least, especially when one observes that no broker would trade on unconfirmed orders or go on accumulating stocks merely to meet future obligations. In fact, the orders on behalf of any institution could have been directly placed online through the screen based trading system, rather than first accumulating the stock and then meeting the demand as and when the need arose. This raises a distinct possibility of PSL also indulging in cornering of shares of PTL.
- 4.24 PSL has contended that during February – March 2001, the markets began to fall and hence it started selling the stock of PTL to the first available buyer on screen and in some cases thereafter, as negotiated deals. However, upon observing the trading details, I have noted that PSL between March 5, 2001 and July 27, 2001 purchased 3, 42,977 shares of PTL i.e., 10.65% of the total purchases at BSE. Subsequently in the month of July, 2001, PSL started selling these stocks mainly between July 14, 2001 and July 27, 2001. Considering that the share market collapse took place in February - March 2001, it would be not convincing to say that PSL, who is an institutional player, took 4 months to realize

that all the big institutions had lost interest in the scrip of PTL and it was time to sell these stocks.

4.25 On a cumulative analysis of the facts mentioned above, it is clear that the modus operandi of PSL to facilitate the manipulation in the scrip of PTL was effected in the following manner:

- 1) Trading on its own account or on the account of sister concerns, without accompanying the transfer of beneficial ownership.
- 2) Placing buy orders at higher prices than the last traded price, to establish prices.
- 3) Executing deals for clients without involving transfer of funds and securities, clearly evidencing that those client were dummy and not genuine clients so to create artificial volumes in the scrip of PTL, and
- 4) Involvement in large scale synchronized trades and cross deals.

4.26 It is clear that execution of such deals was possible due to the nexus of PSL with the management of PTL that has been already established in the earlier part of the order. PSL was admittedly the broker and the under writer to the issue of PTL and was found to have made the most significant contribution among two members, found to be trading in PTL in terms of gross/net purchases or sales. Its contention that it had made little or no profit is irrelevant. Considering its activities, it was the price that it ought to have paid for indulging in acts that are not bonafide but fraudulent in nature.

4.27 In this context it is relevant to note the relevant provisions of Regulation 4 (2)(a) & (b) of FUTP Regulations, 2003 which read as under:

4(2) Dealing in securities shall be deemed to be fraudulent or an unfair trading practice if it involves fraud and may include all or any of the following namely:-

- (a) Indulging in any act, which creates a false or misleading appearance of trading in the securities market;
- (b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate,

depress, or cause fluctuations in the price of such security for wrongful gain or avoidance of loss.

The above provisions are corresponding provisions of Regulations 4(b) and (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.

- 4.28 In the process of perpetuating these artificial trades, PSL also failed to exercise proper skill, care and diligence, required of that of a broker. As a registered broker of SEBI and a member of BSE and NSE, PSL was fully aware of the Rules and Regulations of SEBI. By indulging in the aforesaid acts, PSL did not maintain the standards of integrity, promptitude and fairness required from a broker.
- 4.29 Regulation 7 of the Broker Regulations reads as under:
“The stock broker holding a certificate shall at all times abide by the code of conduct as specified in Schedule II”.
- 4.30 The provisions of Schedule II inter alia provide that a stock broker shall fulfill its obligations in a prompt, ethical, and professional manner and at all times shall exercise due diligence, ensure proper care and exercise independent professional judgment.
- 4.31 Persons who operate in the market are required to maintain high standards of integrity, promptitude and fairness in the conduct of the business dealings. People, who indulge in manipulative, fraudulent and deceptive transactions, or abet the carrying out of such transactions which are fraudulent and deceptive, should be suitably penalized for the said acts of omissions and commissions.
- 4.32 From the facts detailed above, it is established that PSL has indulged in creating a false or misleading appearance of trading on the securities market and dealt in securities, not intended to effect transfer of beneficial ownership but intended to operate only as a device to cause fluctuations in the price of the security and therefore is guilty of violating the

provisions of Regulation 4(2) (a) & (b) of FUTP Regulations. PSL by not carrying out its business operations in accordance with the provisions of law is also guilty of violating the provisions of Regulation 7 of the Broker Regulations.

5.0 Order

- 5.1 Now, therefore in exercise of the powers conferred upon me under Section 19 of SEBI Act, 1992 read with Regulation 13 (4) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and imposing penalty) Regulations, 2002, I hereby suspend the certificates of registration having SEBI Registration No. INB010714330 and INB230714330 granted to M/s. Pranav Securities Pvt. Ltd. for a period of four months.
- 5.2 This order shall come into force immediately after the expiry of 21 days from the date of this order.

DATE: 18.01.2007

T. C. NAIR

PLACE: MUMBAI

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA