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SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER UNDER SECTION 11, 11B AND 11D OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT AGAINST SHRI ATIN DAS, SUB-BROKER

SEBI had received a printed pamphlet issued by Shri Atin Das, a SEBI registered sub-broker having SEBI Regn. No.INS231299814/23-04691, affiliated to VCK Share & Stock Broking Services Ltd., member NSE. The pamphlet has been issued in the name of DAS CO (Share Dealing Centre) Bagnan North, P.O Bagnan, Dist. Howrah, West Bengal, proprietor of which is Shri Atin Das.

Shri Atin Das has vide the said pamphlet solicited money under Monthly Income Scheme from the investors luring them with promise of assured returns and incentives as mentioned below:

For a deposit of Rs.30,000 to Rs.49,999/-	Monthly income @ 1.5% per month
For a deposit of Rs.50,000 to Rs.79,999/-	Monthly income @ 2% per month
For a deposit of Rs.80,000 to Rs.1 Lakh	Monthly income @ 2.5% per month
For deposit above Rs.1 Lakh	Monthly income @ 2.5% + 0.5% extra during the month of Durga Puja on the basis of money saved as on date.

In addition to above, the investors are also promised with incentives that if an investor introduces five other investors with deposits, they would receive an incentive of 0.5% of the total deposits so brought by such introduces. Such an incentive would be paid for every five investors who are so introduced. The pamphlet mentions the name of Shri Atin Das as a SEBI registered sub-broker to misguide the investors and to make the scheme appear as genuine.

SEBI conducted a surprise inspection of the books of accounts of Atin Das, sub-broker, was carried out at the office of the sub-broker located at Bagnan, Howrah. During the course of the inspection, it was observed that Shri Atin Das had executed large volumes of trades with Indiabulls Securities Ltd., member NSE, in the name of his wife Smt. Bani Das. Even though Shri Atin Das failed to furnish during inspection the relevant records and documents regarding his activities, the findings of the inspection revealed the following:

- a) Shri Atin Das, by issuing printed pamphlets promising high assured monthly returns, has solicited money from investors.
- b) Shri Atin Das has collected a sum of Rs. 62 lacs from investors, out of which Rs.54.16 lacs has been collected in cash alone. This money has been used by Shri Atin Das from his bank accounts in securities market.
- c) Although Shri Atin Das has traded through Indiabulls in the name of his wife Smt.Bina Das under client code BD07, it is noted that these trades were actually done on behalf of his clients for which he has also issued contract notes in his own name. From the contract notes it is noted that although it is mentioned that Shri Atin Das is a SEBI registered sub-broker, neither the name of the affiliated broker nor the registration no. of the sub-broker is given in the contract notes. Thus, Shri Atin Das, by transacting in securities market for ultimate clients through Indiabulls without holding valid registration as a sub-broker, has acted as an unregistered sub-broker.
- d) It was also noticed that Shri Atin Das has been taking shares from his clients in his own demat account (SCHIL – ID 28280904) for making deliveries and payments are invariably received and paid to / from his clients in cash.
- e) By receiving funds and securities from the clients in own name / account and deploying the same in the securities market on behalf of clients, Shri Atin Das has acted as an unregistered portfolio manager.

- f) Shri. Atin Das had also traded through M/s VCK Share & Stock Broking Services Ltd, Member, NSE as a registered Sub-broker. However, there were only three clients for his entire transactions including his self account. The other two clients were none but the family members of Atin Das viz: Smt. Biva Rani Das (client code B0372), mother of Shri. Atin Das and Shri. Sudhir Ranjan Das (Client Code A 0625), father of Shri. Atin Das.
- g) During 2003-04, Atin Das and Sudhir Ranjan Das have collectively traded an amount of Rs.48.92 crores through M/s VCK Share & Stock Broking Services Ltd. Similarly during 2004-05 Atin Das, Biva Rani Das and Sudhir Ranjan Das have collectively traded an amount of Rs.75.87 crores.
- h) Shri. Atin Das had paid on account on share transactions an amount of Rs.6.92 lacs and Rs.43.47 lacs to the said broker during the financial years 2003-04 and 2004-05, out of which Rs.1.10 lacs and Rs.6.34 lacs have been paid in cash respectively.
- i) As many as five bank accounts have been used by Shri. Atin Das for routing of moneys collected from the investors for his transactions.

From the above, it is clear that Shri. Atin Das was collecting money from investors and have been transacting in his name and in the name of his family members viz: Smt. Bina Das (wife), Shri. Sudhir Ranjan Das (Father) and Smt. Biva Rani Das (Mother).

From a perusal of the pamphlet issued by Shri Atin Das, it appears that his intention is to attract a large number of unsuspecting investors into placing their hard earned money through his MIS scheme attracting them with high assured returns. In view of the same, it is imperative to restrain Shri Atin Das from accepting moneys under MIS scheme from the public for share market in the interest of investors and securities market.

Therefore, in the interest of investors and to safeguard the integrity of the market, in exercise of powers under section 11, 11 B and 11 D of the SEBI Act, 1992, I hereby direct, pending enquiry, that:

- a) Shri Atin Das, Smt. Bani Das, Wife of Atin Das, Shri. Sudhir Ranjan Das, Father of Shri. Atin Das, and Biva Rani Das, Mother of Shri. Atin Das to cease and desist from accepting moneys from investors under MIS scheme and is also restrained from buying, selling or dealing in securities market in any manner, directly or indirectly, with immediate effect until further orders.
- b) All moneys collected by Shri Atin Das from investors under the MIS scheme should be refunded within a period of one month from the date of this order.
- c) Shri Atin Das and all his family members as mentioned in (a) above, will be given a post decisional hearing on receipt of request.

WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

DATE: 20.2.2007

PLACE: Mumbai