

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

In the matter of irregularities in trading in the scrip of Prabhu Steel Industries Ltd against M/s Prabhu Steel Industries Ltd., Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal, Shri Krishan Agarwal, Hariyana Metals Ltd., Ms. Sarita Chowdhuri, Shri Gopal Finance Ltd., and Shri Rajesh Shah

DATE OF HEARING: 15.05.2007, 31.05.2007 and 17.08.2007

APPEARANCES:

FOR NOTICEE:

1. Shri Harish Agarwal, Managing Director and Ms. Hita Gandhi, Advisor of Hariyana Metals Ltd.
2. Shri Abhishekh Agarwal - Authorised Representative for Prabhu Steel Industries Ltd., Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal, Shri Krishan Agarwal
3. Ms. Sarita Chowdhuri and Shri Pawankumar Chowdhuri

FOR SEBI:

1. Mrs. Barnali Mukherjee, DGM, SEBI
2. Shri Sanjay Sarwade, Manager, SEBI
3. Shri Mohamed Rahaz P.M., Legal Officer, SEBI

ORDER

{Under Section 11B of the Securities and Exchange Board of India Act, 1992 and Regulation 11 and 12 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 and the corresponding Regulations under Securities and

Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.}

1.0 BACKGROUND

1.1 Prabhu Steel Industries Ltd. (hereinafter referred to as “PSIL”) was incorporated as a Private Limited Company on May 29, 1972 and was converted as a Public Limited Company w.e.f. August 17, 1981. It came out with a public issue in March 1982 and the scrip was listed on the Bombay Stock Exchange Ltd (BSE) and Calcutta Stock Exchange (CSE).

1.2 As per the distribution schedule of PSIL as on March 31, 2001, the public shareholding in the company was just 5.79% and remaining shareholding was controlled by promoters, directors, relatives and their associated entities. Analysis of the financial results for the year 1999 to 2002 given below reveal that there had been no improvement in the performance of the company:

(Rs Crores)

Particulars	Results for Year ended:-			
	March 2002	March 2001	March 2000	March 1999
Total Income	10.75	3.21	4.41	4.25
Total Expenditure	11.10	4.72	5.83	6.28
Profit After Tax / (loss)	(0.35)	(1.48)	(1.42)	(2.28)
Accumulated Loss	(12.30)	(11.95)	(10.48)	(9.06)
Equity Capital	0.71	0.71	0.71	0.71
EPS (Rs.)	-4.93	-20.85	-20	-32.11
Dividend (%)	NIL	NIL	NIL	NIL

1.3 It was also observed that the price of PSIL scrip which was Rs.34.50 on September 11, 2000 suddenly rose to a high of Rs.82.50 on April 17, 2001 indicating thereby a rise of 139% in just 7 months at a time when there were no justifiable reasons in support thereof.

1.4 In view of sudden and steep rise in the price of PSIL scrip without any improvement in company's financials or other reasons, Securities and Exchange Board of India (hereinafter referred to as “SEBI”) conducted investigations in the matter. Investigations inter alia revealed that shares with the promoter related

entities of PSIL, were off loaded in the market through Rajesh Shah Group (Rajesh Shah, Uttam Investment and Loko Securities Pvt Ltd) and Sarita Choudhary by execution of circular and synchronised trades in PSIL scrip in large quantities with the objective to create artificial market in the scrip. PSIL and its directors viz. Shri Ganga Ram Agarwal (Chairman and Managing Director), Shri Radheshyam L. Agarwal (Director), Shri Krishan Agarwal (Director / Accounts Assistant) and the associated/connected entities Hariyana Metals Ltd., Ms. Sarita Chowdhuri, Shri Gopal Finance Ltd. and Shri Rajesh Shah (hereinafter referred to as “the Noticees”) were alleged to have manipulated the price and volumes in PSIL scrip and thus violated Regulation 4(a) and 4(b) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 1995 (hereinafter referred to as “PFUTP Regulations”).

2.0 SHOW CAUSE NOTICE

- 2.1 Show cause notices dated August 12, 2006 were issued to the Noticees advising them to show cause as to why suitable directions under section 11B of SEBI Act, 1992 and Regulation 11 of PFUTP Regulations, including restraining them from accessing the capital market and dealing in securities for a particular period should not be issued for the violations mentioned at paragraph no. 1.4.

3.0 REPLY OF THE NOTICEE TO THE SHOW CAUSE NOTICE

- 3.1 Prabhu Steel Industries Ltd., Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal, Shri Krishan Agarwal and Hariyana Metals Ltd. had filed their replies vide letters dated September 16, 2004 all of which are on similar lines wherein they have mainly submitted as under:
- 3.1.1 That they are neither directly nor indirectly related to any of the brokers or clients involved in the impugned transactions.

- 3.1.2 That the facts regarding the financial status of the company as stated in the show cause notice are factual as also that there was no improvement in the performance of the company from March 2000 to March 2001.
 - 3.1.3 That Hariyana Metals Ltd. had delivered shares to one Shri Falgun Shah and the said shares were registered in the transfer register of the company on December 01, 2001.
 - 3.1.4 That the companies Hariyana Metals Ltd. and Shri Gopal Finance Ltd. were not the sister concerns of PSIL and that they are the independent entities having no common directors.
 - 3.1.5 That the clients Shri Rajesh Shah, Loko Securities Ltd., Sarita Chowdhuri who had traded in PSIL scrip are not at all related to them.
 - 3.1.6 That in letters dated September 03, 2002, January 22, 2003 and February 07, 2003 summoning them to appear before the investigating officer, it is stated that PSIL received all the said letters except the one dated September 03, 2002. Further, they have also given the reason for non appearance by stating that the directors in the know of things were out of town and all these facts were considered by the Adjudicating Officer while passing his order.
 - 3.1.7 That in the reply filed by them to the show cause notice issued by the Adjudicating Officer, they had submitted that all the required information was furnished by them to the Investigating Officer on March 03, 2003.
 - 3.1.8 That they have not violated the provisions of PFUTP Regulations.
- 3.2 Ms. Sarita Chowdhuri vide letters dated August 20, 2004, August 23, 2004 and February 17, 2005 denied the charges and also provided details of the trade executed by her. She also stated that the transactions executed by her were in the nature of 'finance transaction' and such transactions were carried out in other scrips as well. She further stated that she will not do such transaction ever in her life.

4.0 PERSONAL HEARING

4.1 An opportunity of personal hearing before me at SEBI's Head Office at Mumbai was afforded to the Noticees. Ms. Sarita Chowdhuri availed the opportunity of personal hearing on May 15, 2007 and also filed a detailed written submission on the same day. Smt. Sarita Chowdhuri attended the personal hearing alongwith her husband Shri Pawankumar Chowdhuri, a broker through whom she executed trades in PSIL scrip. A gist of the contentions raised by her during the course of hearing are given hereunder:

- 4.1.1 That she had executed genuine business of "Sell-N-Cash" type of financing which was widely prevailing in those days.
- 4.1.2 That she had given hundreds of scrips like PSIL to the broker G.R Pandya Share Broking Ltd (GRP) and others for genuine finance transactions.
- 4.1.3 That such financing was legitimate and was done in the ordinary course of business to GRP who had given 108 scrips including PSIL.
- 4.1.4 That she did not have any relation or connection or association with Rajesh Shah or Loko Securities or Uttam Investments or any other person in the matter.
- 4.1.5 That all the orders were placed on BOLT system in the normal course of business and she had no knowledge about the sister concern of PSIL.
- 4.1.6 That order log and trade log of BSE proves her transactions as normal transactions.
- 4.1.7 That no circular trades were carried out by her and she did not have any special attachment or interest or any bad motive in the transactions in PSIL scrip.
- 4.1.8 That she had transacted in the scrip only for one month and 14 days i.e. from March 27, 2001 to May 10, 2001 and submitted that she was not a party to the price manipulation in the scrip as her first sale of PSIL shares was on March 27, 2001 when the market price of the scrip was Rs.75.90 and her last sale was at Rs. 76.50 on May 10, 2001.

4.1.9 That she has already stopped such trading and requested not to impose any penalty.

4.2 Shri Harish Agarwal, Managing Director and Ms. Hita Gandhi, Advisor of Hariyana Metals Ltd attended the hearing on May 31, 2007. Shri Abhishek Aggarwal, Chartered Accountant attended the hearing on behalf of PSIL and its directors viz. Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal and Shri Krishan Agarwal on August 17, 2007 and reiterated the submissions given in their reply to the show cause notice as already stated in paragraph no. 3.1 above.

5.0 CONSIDERATION OF ISSUES & FINDINGS

5.1 I have carefully examined the investigation report, show cause notice, and submissions of the Noticees.

5.2 The first issue to be decided in this case is whether PSIL and its directors viz. Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal and Shri Krishan Agarwal had indulged in manipulative transactions in PSIL scrip.

5.3 I find from the distribution schedule submitted by BSE that PSIL was a closely held company. As on December 31, 2001, only 13 shareholders were holding 90.78% of the shares of the company. The composition of the Board of Directors of PSIL as per the submissions made by the employees of company on February 07, 2003 was as follows:

Name	Designation
Ganga Ram Agarwal	Chairman & Managing Director
Radheshyam L Agarwal	Director
Mr. Brijpuria	Director (PNB Nominee)

5.4 The investigation revealed that the promoters and directors of PSIL and the group companies of PSIL did not cooperate with the investigation team. Shri Ganga Ram Agarwal in fact never appeared before the investigating officers in spite of

repeated requests vide letters dated September 03, 2002, January 29, 2003 and February 07, 2003. It has been observed from the Profit & Loss Accounts and Balance Sheets for the year 1999-2000 that it has been signed by one Director Krishan Agarwal. The covering letter for Distribution Schedules submitted by PSIL to BSE dated May 04, 2002 has also been signed by the same person in the capacity of Director. However, Shri Krishan Agarwal posed as Accounts Assistant before the officers assisting the investigating team during their visit to the PSIL's head office at Nagpur in February 2003.

- 5.5 The adjudicating Officer was appointed to hold an enquiry under the provisions of rule 4 of SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and to determine whether there was any violation of section 15A of the SEBI Act allegedly committed by PSIL and its directors viz. Shri Ganga Ram Agarwal, and Shri Krishan Agarwal. After duly conducting the adjudication, Shri Ganga Ram Agarwal and Shri Krishan Agarwal were directed to pay a penalty of Rs. 6,60,000/- and Rs.1,25,000/- respectively for delayed submission of information sought by the SEBI investigating Officer. Penalty levied by Adjudicating Officer was modified and reduced by the Hon'ble SAT in Appeal No 370 and 372 of 2004 to Rs.20,000/- each.
- 5.6 Apart from the adjudication, show cause notice against the company and its directors were issued under Section 11 B of SEBI Act for their alleged involvement with Shri Rajesh Shah and his associate Smt Sarita Choudhary for manipulating the prices as also for creating artificial market in PSIL scrip. It was also alleged that the shares transacted by Shri Rajesh Shah and his associated entities and Smt. Sarita Chowdhuri were registered in the name of Hariyana Metal Ltd. and Shri Gopal Finance Ltd., a group company of PSIL. The authorized representative appearing on behalf of PSIL and its directors submitted before me that they had not entered any transactions in shares of PSIL during the period September 01, 2000 to May 30, 2001 and stated that all the information including the copies of the distribution schedule of share holding, annual reports and the

details of shareholders holding of more than 5000 PSIL shares for the year 1999-2000 and 2000- 2001 and 2001 – 2002 had already been submitted to SEBI vide letter dated March 3, 2003. I have examined all the documents and find that this information is correct. They have also submitted before me that PSIL and Hariyana Metals Ltd are separate and independent companies and there were no common directors in these companies during the investigation period and also submitted the list of directors in both companies from the year 1993 up to 2001. I find therefrom that Shri Gangaram Agarwal was the director in both the companies in the year 1993 and thereafter, his name reflects as a director only in PSIL. I also find that there were no common directors in both the companies after the year 1993. Further, on examination of the investigation reports and other materials made available before me, I did not find any evidence linking PSIL and its directors viz. Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal and Shri Krishan Agarwal, allegedly responsible for the violations Regulation 4(a) and 4(b) of PFUTP Regulations.

- 5.7 The next issue is whether the associated/connected entities Hariyana Metals Ltd., Shri Gopal Finance Ltd, Sarita Chowdhuri and Rajesh Shah had indulged in manipulative transactions in PSIL scrip.
- 5.8 The trading in PSIL scrip was highly concentrated with the brokers Pawankumar Parmeshwarlal, (Pawankumar), G R P and Manubhai Mangaldas Securities Ltd. (MMSL). Rajesh Shah had transacted through two brokers viz. GRP and MMSL and transferred the shares received by him from Haryana Metals and Shri Gopal Finance Ltd. to those brokers. The broker GRP had given these shares to Sarita Choudhary as a security towards the loan amount. The shares so received by Sarita Choudhary were sold in the market through her husband broker Pawankumar and were picked up by Rajesh Shah and his associated entities viz. Uttam Investments and Loco Securities Pvt. Ltd. trading through the broker GRP. Further, the entities viz. Uttam Investments and Loco Securities Pvt were related

with Shri Rajesh Shah and both of them have approached SEBI for consent orders.

5.9 During the course of hearing, Shri Harish Agarwal, Managing Director of Hariyana Metals Ltd. stated that they had transferred PSIL shares to Shri Falgun Shah and the said shares were registered in the name of Shri Falgun Shah on December 01, 2001. However, they have not furnished any documentary evidence to support their contention. On the other hand, Investigation revealed that they had transferred the shares to Rajesh Shah in off market prior to the investigation period. It is also noted that Rajesh Shah was the business associate of Shri Falgun Shah and they were involved in similar type of transactions in other scrips. No reply was submitted by Shri Gopal Finance Ltd and no one appeared on their behalf in the hearing opportunities given to them.

5.10 Rajesh Shah group had dealt in PSIL scrip through two brokers viz. MMSL and GRP and accounted for 91.61% of the net purchase and 26.63% of the net sale in PSIL scrip. The combined settlement wise trading done by Rajesh shah group on BSE is given hereunder:

Sett. No.	Purchase Qty.	Rate (Rs.)	Sale Qty.	Rate (Rs.)	Net Qty.
35/2000	200	50.10	0		200
36/2000	100	54.05	0		100
39/2000	300	59.00	0		300
49/2000	1700	68.45	950	69.24	750
50/2000	1950	71.37	1550	71.89	400
51/2000	2500	73.81	2600	76.21	-100
1/2001	9250	76.86	1100	77.51	8150
2/2001	4700	77.17	700	77.64	4000
3/2001	13250		13350		-100
4/2001	13150	76.60	8750	77.45	4400
6/2001	5950	76.16	0		5950
7/2001	3000	76.19	0		3000
Total	56050		29000		27050

5.11 The broker GRP had executed trades in the name of one Shri C.N Shah and details thereof are presented in the following table:

Sett. No.	Purchase Qty.	Sale Qty.	Net Qty.
200101	7800	7800	0
200102	4000	4000	0

- 5.12 As per report of BSE there was no client by name of Shri C. N. Shah who had dealt through the GRP during the investigation period. It was observed that GRP failed to provide the client registration form and other details of his client C.N. Shah. It is clear from the statement of GRP that majority of the transactions were in the nature of off market particulars whereof were not reported to the Exchange. Some of the dealings done by GRP on behalf of Shri C. N. Shah had been reported to the exchange which in fact was seen to have been executed on behalf of Rajesh Shah. Shri C.N. Shah was thus used by Rajesh Shah as a conduit to execute manipulative trades.
- 5.13 Shri Rajesh Shah had given 10,000 shares of PSIL to the broker MMSL to sell in the market. It has been also observed that the shares sold by Rajesh Shah through MMSL were purchased by Loco Securities Pvt. Ltd., an associate of Rajesh Shah. I also find that the spot trades for 23,000 shares were executed by Rajesh Shah and Smt. Sarita Choudhary as the seller and the buyer respectively. All the shares delivered and received by Rajesh Shah and Sarita Choudhary were registered in the name of Haryana Metals Ltd and Shri Gopal Finance Ltd. which incidentally were the family concerns and group companies of PSIL. These transactions were not reported to the exchange since they had failed to give contract notes to the investigating authority even when these were specifically asked for. This fact was also admitted by the broker GRP. These spot trades were done clearly with a view to suppress the fact that Rajesh Shah and Smt. Sarita Choudhary were indulging in circular trades leading to price manipulation and creation of volumes. All such transactions are banned under SEBI circular SMDRP / Policy / cir / 32/99 dated September 14, 1999.
- 5.14 The details of transactions executed by GRP on spot trades with the seller (Rajesh Shah) and buyer (Smt. Sarita Choudhary) are given below:

Sett.No.	Purchase Qty.	Sale Qty.	Net Qty.
200101	0	7800	-7800
200102	0	4000	-4000
200104	0	2500	-2500
200106	0	5700	-5700
200107	0	3000	-3000

5.15 The settlement wise transactions as reported by Smt. Sarita Choudhary through GRP are presented in the following table:

Sett. No.	Purchase Qty.	Sale Qty.	Net Qty.
200101	7800	0	7800
200102	4000	0	4000
200104	2500	0	2500
200106	5700	0	5700
200107	3000	0	3000

5.16 I find that Smt. Sarita Choudhary was asked to produce the contract notes for the transactions shown in the above table. She submitted that contract notes were not provided to her. This indicates that the transactions were not reported on the exchanges and this fact had been corroborated by the broker GRP.

5.17 I also find from the trading details that all the shares sold by Smt. Sarita Choudhary were picked up by Rajesh Shah and Loco Securities Ltd. who are related. In her statement, Smt. Sarita Choudhary admitted that the transactions were done to finance the broker GRP who had also submitted that the PSIL shares were given to her as security towards the loan amount. GRP also admitted that the shares so given to her were actually given by Rajesh Shah indicating thereby a clear pattern of circular trading where the spot transaction was the first one with Sarita Choudhary being the purchaser and Rajesh Shah being the seller. In the second leg of the transaction, Rajesh Shah was the purchaser and Sarita Choudhary was the seller. I observe this to be a clear case of circular trading. Even assuming that Smt. Sarita Choudhary was extending finance against illiquid scrip like PSIL then there would have been certain assurance that the scrip would be bought back. The shares bought by Smt. Sarita Choudhary through spot deals from Rajesh Shah were bought back by him through the market. In this way

circuitous route for executing the transactions was clearly designed to have a three way effect as under:

- ? Provide financing
- ? Create false volumes in the scrip and thereby induce the interest of unsuspecting investors.
- ? Price manipulation

5.18 I find that the shares received by Rajesh Shah from Hariyana Metals and Shri Gopal Finance Ltd. were given to the broker GRP who had given the same to Smt. Sarita Choudhary, wife of counterparty broker Pawankumar. Further, it is also an admitted fact that they indulged in unreported spot transactions in PSIL scrip and created circuitous route of trading for purchasing PSIL shares given to Smt. Sarita Choudhary on spot. This resulted in creation of false market since the shares had never changed hands and at the same time the exchange trading details indicated huge volumes. Smt. Sarita Choudhary contended that the transactions are in the nature of permissible 'finance transaction'. This is a peculiar stand which is not acceptable as the clear evidence is available as stated above to prove that they had indulged in circular trades to create artificial market in PSIL scrip. The creation of such volumes is misleading and induces the innocent investors to invest in the scrip.

5.19 Smt. Sarita Choudhary mentioned that she had transacted in the scrip only for one month and 14 days i.e. from March 27, 2001 to May 10, 2001 and as such, she was not a party to the price manipulation of the scrip as her first sale of shares of PSIL was on March 27, 2001 when the market price of the scrip was Rs.75.90 and her last sale was at 76.50 on May 10, 2001. It has been observed from the record that she had traded in the month of April 2001 when the price of the scrip reached its highest level. I also observe that she executed 14 trades on April 06, 2001 at the rate ranging from Rs 77.25 and Rs. 77.70 and her contention as such can not be accepted as bonafide.

- 5.20 Smt. Sarita Choudhary also stated that the spot badla financing was general practice of the market and was popular during the relevant time. Further, she maintained that she had provided Rs 26 lakhs to GRP and her intention was only to recover her dues from GRP. This contention of Sarita Choudhary can not be accepted since she got PSIL shares from Rajesh Shah who himself bought back through the broker GRP. Further, in order to recover dues, the trading mechanism can not be misused by executing circular trades.
- 5.21 The trading pattern of Smt Sarita Choudhary and Shri Rajesh Shah revealed that they executed unreported spot transactions and created circuitous route of trading in PSIL scrip. The shares received by Shri Rajesh in the off market from Hariyana Metals and Shri Gopal Finance Ltd. were transferred to his broker GRP and MMSL. The broker GRP had in turn transferred the shares to Smt Sarita Choudhary who sold the shares in the market and those shares were picked up by Rajesh Shah and his group as explained in the preceding paragraphs. This sort of circular trading created huge volumes in PSIL scrip in the market and its price went up without any justification in spite of the performance of the company during the financial year 2000-2001 continuing to be very unsatisfactory.
- 5.22 I have also noted that the certificate of registration of the brokers; Pawankumar and GRP were suspended for a period of two months vide order dated June 27, 2007 and July 02, 2007 respectively in the same matter. Pawankumar challenged the order in Appeal No 88 of 2007 before the Hon'ble SAT. While upholding the order vide order dated August 14, 2007, Hon'ble SAT has observed as follows:

“It is thus clear that the circle was complete inasmuch as the shares which had come from Pandya to the appellant's wife on whose behalf the appellant sold and it was Pandya who purchased them back. The charge of circular trading is thus established. Several trades had been executed in this manner. Circular trading by itself creates artificial volumes in the market because the parties buying and selling the shares do not intend to transfer the beneficial ownership therein. This being so, we have no hesitation in upholding the impugned order suspending the certificate of registration of the appellant for two months”.

- 5.23 For the sound functioning of the securities market, all instances of circular trading have to be curbed. As is sufficiently known, circular trading in particular scrip happens when a closely knit set of market entities, buy and sell shares frequently among themselves to push up the stock price. In such cases, there are no bonafide intentions to trade, and therefore, the trading volumes so generated are referred to as artificial volumes. These entities indulged in circular trading with a fraudulent or deceptive intention to create a misleading appearance of trading and to manipulate the price and volume of the scrip. Not only does such activities gravely affect the market for tampering the discovery mechanism, it invariably hurts the investors as well.
- 5.24 Regulation 4 (a) of the PFUTP Regulations categorically makes it an offence to indulge in an act which creates a false and misleading appearance of trading in the securities market. Regulation 4 (b) further prohibits dealing in a security not intended to transfer beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for the wrongful gain or avoidance of loss. Having regard to all facts and circumstances of the case, I am of the view that this is a fit case to restrain Noticees viz. Smt Sarita Chowdhuri, Shri Rajesh Shah, Hariyana Metals Ltd and Shri Gopal Finance Ltd. from accessing the securities market with a view to protect the interest of investors so as to ensure that it acts as a deterrent for such actions in the securities market in future.

6.0 ORDER

- 6.1 Therefore, taking into consideration facts and circumstances of the case and in exercise of the powers conferred upon me under Sections 19 of the SEBI Act read with Sections 11B of SEBI Act, 1992 and Regulation 11 and 12 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 read with Regulation 13 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations,

2003, I hereby dispose of the show cause notices issued to M/s Prabhu Steel Industries Ltd. and its directors viz. Shri Ganga Ram Agarwal, Shri Radheshyam L. Agarwal and Shri Krishan Agarwal without any direction on the reasons stated at paragraph no. 5.6 supra. At the same time, I hereby restrain Smt Sarita Chowdhuri (PAN no. AC/CIR/26(3)/253-S), Shri Rajesh Shah (PAN no. ABEPS2049C), M/s Hariyana Metals Ltd and M/s Shri Gopal Finance Ltd., from buying, selling and dealing or accessing the securities market in any manner for a period of three months.

6.2 This order shall come into force with immediate effect.

Place: Mumbai

Date: November 19, 2007

V. K. CHOPRA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA