

SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: G. ANANTHARAMAN, WHOLE TIME MEMBER

ORDER UNDER REGULATION 16(5) AND 16(6) OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING ENQUIRY BY ENQUIRY OFFICER AND IMPOSING PENALTY) REGULATIONS, 2002

- 1.1 Securities and Exchange Board of India (hereinafter referred to as SEBI) received information from National Stock Exchange of India Ltd. (for short, NSE) and OTC Exchange of India (for short, OTCEI) regarding the expulsion of their members as mentioned below

S No	Name of Stock Broker	Regn. No.	Stock Exchange	Date of Expulsion
1.	Lunar Holdings Ltd.	INB230653938	NSE	April 8, 1999
2.	NCM Neha Securities Ltd.	INB230930637	NSE	November 2, 1999.
3.	Swaraj Financial and Investment Pvt. Ltd.	INB230778933	NSE	April 8, 1999.
4.	Shri R. Kesawan	INB230661510	NSE	May 16, 2000.
5.	Ramakrishna Equity Fund Ltd.	INB230824232	NSE	April 29, 1999,
6.	GFC Securities and Finance Ltd.	INB230706338	NSE	November 24, 2004.
7.	Pride Shares and Capitals (P) Ltd.	INB230944633	NSE	November 24, 2004.
8.	Opart Securities Pvt. Ltd.	INB230663439	NSE	May 10, 1999.
9.	Wisdom Portfolio Management Services (P) Ltd.	INB200820633	OTCEI	November 18, 2004.
10.	Athreya Shares and Securities (P) Ltd.	INB200893239	OTCEI	November 18, 2004.
11.	Shri M. Jitendra Kumar (Trade name : Blue Chip Capital Markets)	INB200817618	OTCEI	May 25, 2004.
12.	Deepak Portfolios Ltd.	INB200773239	OTCEI	May 25, 2004.
13.	Shri A N Prasad	INB200869714	OTCEI	May 25, 2004.
14.	Classic Share Dealers Ltd.	INB200900535	OTCEI	May 25, 2004.
15.	Jayadurga Investment (P) Ltd.	INB200584032	OTCEI	May 25, 2004.
16.	Shri A S Kumar (Trade Name : Prema Swaroop Securities)	INB200817510	OTCEI	May 25, 2004.
17.	P A Financial Services (P) Ltd.	INB200584238	OTCEI	November 18, 2004.
18.	Shri Ramesh Kumar Virmani	INB200889910	OTCEI	November 18, 2004.

19.	Vinco Holdings and Financials (P) Ltd.	INB200832837	OTCEI	November 18, 2004.
20.	Ferromech (India) Pvt. Ltd.	INB200912837	OTCEI	November 18, 2004.
21.	Vijayanand Investments (P) Ltd.	INB200820134	OTCEI	November 18, 2004.
22.	Unisys Securities and Finance Ltd.	INB200868234	OTCEI	November 18, 2004.
23.	Shri Prem Parekh	INB200674112	OTCEI	November 18, 2004.
24.	Bayswater Investments and Trading (P) Ltd.	INB200609037	OTCEI	November 18, 2004.
25.	Shri Atul C Shah	INB200872917	OTCEI	May 25, 2004.
26.	Shri Deepak S Oberoi	INB200870919	OTCEI	May 25, 2004.
27.	ASP Investment Ltd. (Now known as Goldmine Fintrade Ltd.)	INB200499331	OTCEI	May 25, 2004.
28.	Mansukhlal Kothari Investment and Financial Consultant (P) Ltd.	INB200502132	OTCEI	May 25, 2004.
29.	Shri A Venkat N Reddy	INB200837119	OTCEI	May 25, 2004.
30.	Gorrich Consultants (P) Ltd.	INB200913033	OTCEI	May 25, 2004.
31.	Halkara Finance (P) Ltd.	INB200895433	OTCEI	May 25, 2004.
32.	Headstart Securities (P) Ltd.	INB200893131	OTCEI	May 25, 2004.
33.	Ken Financial Services Ltd.	INB200752533	OTCEI	May 25, 2004.
34.	Manohar Raj Kankaria	INB200268314	OTCEI	May 25, 2004.
35.	Integrated Capital Services Ltd.	INB200793836	OTCEI	May 25, 2004.

NSE - National Stock Exchange of India Ltd.

OTCEI – OTC Exchange of India

1.2 The aforesaid stock brokers would hereinafter be referred to as the said Brokers. It was alleged that the said Brokers had also failed to pay fees to SEBI. Consequent to the expulsion, the said Brokers ceased to be the members of NSE and OTCEI and, thereby failed to comply with one of the conditions for the grant of certificate of registration as specified in 4(a) of Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Rules, 1992 (now repealed, on September 07, 2006). Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Rules, 1992 is hereinafter referred to as the Rules for the sake of brevity. The provisions of the said Rules had been simultaneously specified in the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as the Broker Regulations). The said Brokers had also failed to pay fees to SEBI as required under rule 4(d) of the said Rules.

1.3 In view of the above, SEBI appointed officers to conduct summary proceedings under chapter III read with regulation 15 (c) of Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 (hereinafter referred to as the Enquiry Regulations). The officers, thus appointed by SEBI issued separate notices to the said Brokers through NSE and OTCEI for its submissions, as detailed below:

S. No.	Name of Stock Broker	Regn. No.	Date of Notice
1.	Lunar Holdings Ltd.	INB230653938	November 25, 2004.
2.	NCM Neha Securities Ltd.	INB230930637	November 25, 2004.
3.	Swaraj Financial and Investment Pvt. Ltd.	INB230778933	November 25, 2004.
4.	Shri R. Kesawan	INB230661510	November 25, 2004.
5.	Ramakrishna Equity Fund Ltd.	INB230824232	November 25, 2004.
6.	Opart Securities Pvt. Ltd.	INB230663439	November 25, 2004.
7.	Wisdom Portfolio Management Services (P) Ltd.	INB200820633	July 15, 2005
8.	Athreya Shares and Securities (P) Ltd.	INB200893239	July 15, 2005
9.	Shri M. Jitendra Kumar (Trade name : Blue Chip Capital Markets)	INB200817618	October 8, 2004
10.	Deepak Portfolios Ltd.	INB200773239	October 8, 2004
11.	Shri A N Prasad	INB200869714	October 8, 2004
12.	Classic Share Dealers Ltd.	INB200900535	October 8, 2004
13.	Jayadurga Investment (P) Ltd.	INB200584032	October 8, 2004
14.	Shri A S Kumar (Trade Name : Prema Swaroop Securities)	INB200817510	October 8, 2004
15.	GFC Securities and Finance Ltd.	INB230706338	July 15, 2005
16.	Pride Shares and Capitals (P) Ltd.	INB230944633	July 15, 2005
17.	P A Financial Services (P) Ltd.	INB200584238	July 15, 2005
18.	Shri Ramesh Kumar Virmani	INB200889910	July 15, 2005
19.	Vinco Holdings and Financials (P) Ltd.	INB200832837	July 15, 2005
20.	Ferromech (India) Pvt. Ltd.	INB200912837	July 15, 2005
21.	Vijayanand Investments (P) Ltd.	INB200820134	July 15, 2005
22.	Unisys Securities and Finance Ltd.	INB200868234	July 15, 2005
23.	Shri Prem Parekh	INB200674112	July 15, 2005
24.	Bayswater Investments and Trading (P) Ltd.	INB200609037	July 15, 2005
25.	Shri Atul C Shah	INB200872917	October 7, 2004
26.	Shri Deepak S Oberoi	INB200870919	October 7, 2004
27.	ASP Investment Ltd. (Now known as Goldmine Fintrade Ltd.)	INB200499331	October 7, 2004
28.	Mansukhlal Kothari Investment and Financial Consultant (P) Ltd.	INB200502132	October 7, 2004
29.	Shri A Venkat N Reddy	INB200837119	October 7, 2004
30.	Grorich Consultants (P) Ltd.	INB200913033	October 7, 2004
31.	Halkara Finance (P) Ltd.	INB200895433	October 7, 2004
32.	Headstart Securities (P) Ltd.	INB200893131	October 7, 2004
33.	Ken Financial Services Ltd.	INB200752533	October 7, 2004
34.	Manohar Raj Kankaria	INB200268314	October 7, 2004
35.	Integrated Capital Services Ltd.	INB200793836	October 7, 2004

1.4 The said notices were delivered to the aforesaid stock brokers in majority of the cases (Sr. Nos.6 to 8, 12 to 33). In some matters, it could not be delivered (Sr. Nos. 1 to 5, 9 to 11). SEBI received reply only from stock brokers at Sr. Nos. 34 and 35. Shri Manohar Raj Kankaria (Sr. No.34) inter alia informed the Enquiry Officer that he had resigned from OTCEI after one year of taking the membership. Integrated Capital Services Ltd. (Sr. No.35) inter alia did not dispute the factum of expulsion. It further stated that it had already paid SEBI dues. The Officers conducted the proceedings in terms of chapter III of the Enquiry Regulations and recommended to cancel the certificate of registration, as per the details mentioned below :

S. No.	Name of Stock Broker	Regn. No.	Date of Enquiry Report
1.	Lunar Holdings Ltd.	INB230653938	December 28, 2004.
2.	NCM Neha Securities Ltd.	INB230930637	December 28, 2004.
3.	Swaraj Financial and Investment Pvt. Ltd.	INB230778933	December 28, 2004.
4.	Shri R. Kesawan	INB230661510	December 28, 2004.
5.	Ramakrishna Equity Fund Ltd.	INB230824232	December 28, 2004.
6.	Opart Securities Pvt. Ltd.	INB230663439	December 28, 2004.
7.	Wisdom Portfolio Management Services (P) Ltd.	INB200820633	November 24, 2005
8.	Athreya Shares and Securities (P) Ltd.	INB200893239	November 24, 2005
9.	Shri M. Jitendra Kumar (Trade name : Blue Chip Capital Markets)	INB200817618	January 17, 2005
10.	Deepak Portfolios Ltd.	INB200773239	January 17, 2005
11.	Shri A N Prasad	INB200869714	January 17, 2005
12.	Classic Share Dealers Ltd.	INB200900535	January 24, 2005
13.	Jayadurga Investment (P) Ltd.	INB200584032	January 24, 2005
14.	Shri A S Kumar (Trade Name : Prema Swaroop Securities)	INB200817510	January 24, 2005
15.	GFC Securities and Finance Ltd.	INB230706338	August 24, 2005
16.	Pride Shares and Capitals (P) Ltd.	INB230944633	August 30, 2005
17.	P A Financial Services (P) Ltd.	INB200584238	August 30, 2005
18.	Shri Ramesh Kumar Virmani	INB200889910	August 30, 2005
19.	Vinco Holdings and Financials (P) Ltd.	INB200832837	August 30, 2005
20.	Ferromech (India) Pvt. Ltd.	INB200912837	August 30, 2005
21.	Vijayanand Investments (P) Ltd.	INB200820134	August 30, 2005
22.	Unisys Securities and Finance Ltd.	INB200868234	September 27, 2005
23.	Shri Prem Parekh	INB200674112	September 27, 2005
24.	Bayswater Investments and Trading (P) Ltd.	INB200609037	September 27, 2005
25.	Shri Atul C Shah	INB200872917	August 3, 2005
26.	Shri Deepak S Oberoi	INB200870919	August 3, 2005
27.	ASP Investment Ltd. (Now known as Goldmine Finttrade Ltd.)	INB200499331	August 3, 2005
28.	Mansukhlal Kothari Investment and Financial Consultant (P) Ltd.	INB200502132	August 3, 2005
29.	Shri A Venkat N Reddy	INB200837119	August 3, 2005
30.	Gorich Consultants (P) Ltd.	INB200913033	August 3, 2005
31.	Halkara Finance (P) Ltd.	INB200895433	August 3, 2005

32.	Headstart Securities (P) Ltd.	INB200893131	August 3, 2005
33.	Ken Financial Services Ltd.	INB200752533	August 3, 2005
34.	Manohar Raj Kankaria	INB200268314	August 3, 2005
35.	Integrated Capital Services Ltd.	INB200793836	August 3, 2005

2.1 I have considered the aforesaid reports and the materials available on record. One of the main issues for consideration is whether the said Brokers by virtue of their expulsion from NSE and OTCEI ceased to be the members of the said exchanges and thereby violated one of the mandatory conditions for the grant of certificate of registration. It is an admitted fact that NSE and OTCEI had expelled the said Brokers as per the details given in table at para no. 1.1. In terms of Rule 4(a) of the said Rules, it is a condition precedent that a stock broker shall be a member of a recognized stock exchange before he is granted a certificate of registration by SEBI. Since the said Brokers no longer fulfill this essential criterion, they are guilty of violation of the said condition of registration and therefore their certificates of registration are liable to be cancelled. I note that Integrated Capital Services Ltd. (Sr. No. 35 in the table at para 1.4) had already paid SEBI dues as claimed by it. Further, GFC Securities and Finance Ltd. (Sr. No.15 in the table at para 1.4) had also paid SEBI dues. The remaining stock brokers had failed to pay SEBI fees and thereby violated rule 4 (d) of the said Rules. Besides, sufficient opportunity was provided to the said Brokers to submit their written submissions in respect of the allegations leveled against them. Majority of the stock brokers (as mentioned above) had failed to give any submissions in this regard. Though, Shri Manohar Raj Kankaria (Sr. No.34) and Integrated Capital Services Ltd. (Sr.No.35) filed submissions before the Officer, the fact that they were expelled from the membership of the respective stock exchange had not been disputed. Thus, the said Brokers have failed to comply with the conditions for the grant of certificate of registration [Rule 4(a) of the said Rules]. The said Brokers

(except stock brokers at Sr. Nos. 15 & 35 in the table at 1.4.) had also failed to pay registration fees as required under Rule 4(d) of the said Rules. Therefore, it is fairly established that the said Brokers had failed to comply with the primary conditions of registration.

- 3.1 In the facts and circumstances, I consider this as a fit case for canceling the certificate of registration of the said Brokers mentioned above. In terms of regulation 16(6) of the Enquiry Regulations, SEBI can pass a common order where the subject matter in question is substantially similar in nature. As the subject matter in question is substantially similar in nature, I decide to pass a common order in the matter.
- 3.2 In view of the above, I, in exercise of powers conferred under section 19 of the Securities and Exchange Board of India Act, 1992 read with regulation 16(5) and 16(6) of Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, hereby cancel the certificate of registration of the following stock brokers:

S. No.	Name of Stock Broker	Regn. No.	Stock Exchange
1.	Lunar Holdings Ltd.	INB230653938	National Stock Exchange of India Ltd.
2.	NCM Neha Securities Ltd.	INB230930637	National Stock Exchange of India Ltd.
3.	Swaraj Financial and Investment Pvt. Ltd.	INB230778933	National Stock Exchange of India Ltd.
4.	Shri R. Kesawan	INB230661510	National Stock Exchange of India Ltd.
5.	Ramakrishna Equity Fund Ltd.	INB230824232	National Stock Exchange of India Ltd.
6.	Pride Shares and Capitals (P) Ltd.	INB230944633	National Stock Exchange of India Ltd.
7.	Opart Securities Pvt. Ltd.	INB230663439	National Stock Exchange of India Ltd.
8.	Wisdom Portfolio Management Services (P) Ltd.	INB200820633	OTC Exchange of India
9.	Athreya Shares and Securities (P) Ltd.	INB200893239	OTC Exchange of India
10.	Shri M. Jitendra Kumar (Trade name : Blue Chip Capital Markets)	INB200817618	OTC Exchange of India
11.	Deepak Portfolios Ltd.	INB200773239	OTC Exchange of India
12.	Shri A N Prasad	INB200869714	OTC Exchange of India
13.	Classic Share Dealers Ltd.	INB200900535	OTC Exchange of India
14.	Jayadurga Investment (P) Ltd.	INB200584032	OTC Exchange of India
15.	GFC Securities and Finance Ltd.	INB230706338	National Stock Exchange of India Ltd.
16.	Shri A S Kumar (Trade Name : Prema Swaroop Securities)	INB200817510	OTC Exchange of India
17.	P A Financial Services (P) Ltd.	INB200584238	OTC Exchange of India

18.	Shri Ramesh Kumar Virmani	INB200889910	OTC Exchange of India
19.	Vinco Holdings and Financials (P) Ltd.	INB200832837	OTC Exchange of India
20.	Ferromech (India) Pvt. Ltd.	INB200912837	OTC Exchange of India
21.	Vijayanand Investments (P) Ltd.	INB200820134	OTC Exchange of India
22.	Unisys Securities and Finance Ltd.	INB200868234	OTC Exchange of India
23.	Shri Prem Parekh	INB200674112	OTC Exchange of India
24.	Bayswater Investments and Trading (P) Ltd.	INB200609037	OTC Exchange of India
25.	Shri Atul C Shah	INB200872917	OTC Exchange of India
26.	Shri Deepak S Oberoi	INB200870919	OTC Exchange of India
27.	ASP Investment Ltd. (Now known as Goldmine Fintrade Ltd.)	INB200499331	OTC Exchange of India
28.	Mansukhlal Kothari Investment and Financial Consultant (P) Ltd.	INB200502132	OTC Exchange of India
29.	Shri A Venkat N Reddy	INB200837119	OTC Exchange of India
30.	Grorich Consultants (P) Ltd.	INB200913033	OTC Exchange of India
31.	Halkara Finance (P) Ltd.	INB200895433	OTC Exchange of India
32.	Headstart Securities (P) Ltd.	INB200893131	OTC Exchange of India
33.	Ken Financial Services Ltd.	INB200752533	OTC Exchange of India
34.	Manohar Raj Kankaria	INB200268314	OTC Exchange of India
35.	Integrated Capital Services Ltd.	INB200793836	OTC Exchange of India

3.3 This order will not prejudicially affect the SEBI's right to recover the outstanding dues from the aforesaid stock brokers (except the stock brokers at Sr. Nos. 15 and 35 in the table at para 3.2).

3.4 This order shall come into force with immediate effect.

G.ANANTHARAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Place: Mumbai

Date: January 23, 2008