

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: Dr. T.C.NAIR, WHOLE TIME MEMBER

**IN THE MATTER OF M/s. MIVIDHA INVESTMENT PVT. LTD. IN
THE SCRIP OF AFTEK INFOSYS LIMITED**

Date of hearing: September 28, 2006

Appearance :

For Noticee : Shri Ganesh Mahtre, Executive

For SEBI : Shri P.K. Nagpal, Chief General Manager/Executive Director
Shri Ansuman Dev Pradhan, Manager
Ms. Kshama Chavan, Legal Officer

ORDER

**UNDER SECTION 11 AND 11B OF THE SEBI ACT, 1992 READ WITH
SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE
PRACTICES RELATING TO SECURITIES MARKETS)
REGULATIONS, 2003.**

- 1.1 Securities and Exchange Board of India (hereinafter referred to as "SEBI") received complaints inter alia, alleging price rigging in the scrip of Aftek Infosys Ltd. (hereinafter referred to as "Aftek"). It was noticed from the analysis of the price - volume data that the share price moved from Rs.82 on July 15, 1999 to Rs.1292.50 on December 8, 1999. This increase was in conjunction with the increased trading volumes. Additionally, around this time only, the promoters of Aftek namely, Shri Sandip Save, Shri R U Malekar, Shri A. Humnabadkar, Shri C. V. Khopkar, Shri R. M. Dhuru, Shri

N. K. Shukla, Shri M. S. Dalal & Shri P. Baroota also bought back nine lakh shares of Aftek from Industrial Development Bank of India (hereinafter referred to as "IDBI") which were held by IDBI pursuant to a buy back agreement between Aftek and IDBI at the time of the IPO of Aftek in 1995.

1.2 It was found that since the promoters of Aftek did not have the requisite funds for the purchase of shares from IDBI, they had availed funds from certain entities associated with Ketan Parekh group viz. Classic Credit Ltd, Panther Investrade Ltd, JDP Shares & Finance Pvt. Ltd, Mividha Investments Pvt. Ltd., Panther Fincap & Management Services Ltd., (hereinafter collectively referred to as "the financiers"). The funds were availed pursuant to an arrangement with the financiers that if the financed amount was not paid within a specified period, the shares would be acquired by the financiers. These financiers appeared to be connected in some way or other to certain entities who were allotted shares of the company on a preferential basis earlier in 1999. Additionally, the share price continued its unrelenting rise and touched a high of Rs.5000/- on March 3, 2000 accompanied by concentrated buying by a select group of entities. It was observed that on several days during the run up to the high price of Rs.5000/-, the scrip of Aftek touched the upper circuit limit of 8% in the early minutes of trading itself. It appeared that the price of the scrip of Aftek was manipulated.

1.3 In view of the above, SEBI ordered a formal investigation into the buying, selling and dealing in the scrip of Aftek to ascertain violations, if any of SEBI (Prohibition of Fraudulent and Unfair

Trade Practices Relating to Securities Market) Regulations, 1995 (hereinafter referred to as “PFUTP Regulations”), SEBI (Stock Brokers and Sub Brokers) Rules and Regulations, 1992, and or any provision of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

- 1.4 Investigations revealed that Classic Credit Ltd., Panther Investrade Ltd., JDP Shares & Finance Pvt Ltd., Mividha Investments Pvt. Ltd. and Panther Fincap & Management Services Ltd. had indulged in price manipulation in the shares of Aftak.
- 2.1 Pursuant to the findings of the investigation regarding the alleged price manipulation by the financiers, a show cause notice dated September 30, 2002 was issued to Mividha Investments Pvt. Ltd. (hereinafter referred to as “Mividha”) along with other alleging that they were guilty of violation of clause (a), (b), (c) and (d) of Regulation 4 of the PFUTP Regulations as their transactions created artificial market and volume in the scrip. It was further alleged that there was an attempt on the part of the financiers to disturb market equilibrium and distort the price discovery mechanism by putting in negotiated/cross deals. The transactions were matched, fictitious and non genuine in nature. Acquisition of shares in such a manner by these financiers resulted in cornering of the floating stock of the floating stock of the company, which was generally illiquid and thinly traded. This cornering also assisted their efforts in market manipulation.

- 2.2 On the basis of aforesaid findings, Mividha was called upon to show cause as to why necessary directions under Section 11 and 11B of the SEBI Act, 1992 read with Regulation 11 of PFUTP Regulations including a direction debarring it/its director(s) from dealing in securities for a particular duration or being associated with the capital market should not be passed.
- 3.1 Mividha submitted its reply to the aforesaid show cause notice vide letter dated August 13, 2003 inter alia stating as under:
- a. The Adjudicating Officer vide his order dated July 31, 2002, already imposed a penalty of Rs. 5 lakh and appeal against the same is pending before SAT. The said appeal arose pursuant to the same dealings in transactions in the scrip of Aftak Infosys Ltd. As SEBI had already dealt with the said transactions, fresh charges should not have been levied upon them and hence the present show cause notice ought to be discharged / withdrawn qua them.*
 - b. They have neither been party to any circular transaction in the scrip of Aftak nor they have any role in the market manipulation so as to artificially create volumes or to induce other investors to trade in the scrip of Aftak.*
- 4.1 An opportunity of personal hearing was granted to Mividha on August 20, 2003. However, on that date, hearing could not take place and another opportunity of personal hearing was granted on September 12, 2003. The hearing was also adjourned on the request made by Mividha as they wanted to submit certain documents. The

next date of hearing was fixed on October 22, 2003, wherein no one appeared on behalf of Mividha.

4.2 Mividha was given last opportunity of personal hearing on September 28, 2006. Mividha, vide its letter dated September 25, 2006 requested SEBI to inform the status of the said matter. Vide letter dated September 27, 2006, the status of the matter was informed to Mividha by SEBI. Shri Ganesh Mahtre, Executive, attended the hearing on September 28, 2006 and requested for additional time for submitting the written submissions. Request for the same was considered and Mividha was given seven days time to submit written submissions. However, no written submissions have been submitted

5.1 I have taken into consideration the findings of investigation, submissions made by Mividha vide their letter dated August 13, 2003 and other material available on record. From the facts of the case, the following issue arises for consideration:

Whether Mividha was involved in price manipulation in the scrip of Aftek along with other entities viz., Classic Credit Ltd., Panther Investrade Ltd., Panther Fincap Ltd. and JDP Shares & Finance Pvt. Ltd. as alleged in the Show cause notice dated September 30, 2002.

5.2 I find that since the promoters of Aftek did not have money required for acquiring the shares of Aftek from IDBI, they were looking for a financier for the purchase of the said shares. They approached Shri

Ketan Parekh who arranged the money from his following related entities :

- (i) Classic Credit Ltd.
- (ii) Panther Investrade Ltd.
- (iii) JDP Shares and Finance Pvt. Ltd.
- (iv) Mividha Investments Ltd.

5.3 The financing was structured in such a manner that it was to be channeled through entities controlled by/associated with Shri Ketan Parekh. Thereafter, Financing-cum-Option Agreements were entered into between these entities and the promoters of the company. The number of shares financed by the “Financing cum option” agreement executed on November 15, 1999 is tabulated as under :

Promoter / Borrower	Financier	Entitlement of Promoters	No of shares financed	Amount (Rs.)
Sandip Save 2/12/99	Classic Credit Ltd.	151500	151500	72800000
R Malekar 2/12/99	Classic Credit Ltd.	151500	151500	72682500
A Humnabadkar 2/12/99	Panther Investrade Ltd.	151500	151500	72632727
C Khopkar 2/12/99	Classic Credit Ltd.	47500	47500	22925000
R Dhuru 2/12/99	Panther Investrade Ltd.	151500	41500	19375000
R Dhuru Sale to JDP on 8/12/99	JDP Shares and Finance Pvt. Ltd.	—	110000	52825000
N Shukla 2/12/99	Panther Investrade Ltd.	151500	151500	72517500
M Dalal 2/12/99	Mividha Investment	47500	47500	22925000
P Broota 2/12/99	Mividha Investments Ltd.	47500	47500	22925000
Total		900000	900000	431607727

5.4 I find that pursuant to the terms and conditions of the agreement, the aforesaid entities actually acquired 8,00,000 shares out of

9,00,000 shares (of the 1st agreement). The shares were acquired by the financiers in the following manner :

Sr. No.	Name	Date of acquisition	Number of shares
1	Mividha Investments	8/12/99	85000
2	Classic Credit Ltd.	7/12/99 16/12/99 Sub total	271000 42500 313500
3	Panther Investrade Ltd.	7/12/99 16/12/99 Sub total	166000 135500 301500
4.	JDP Shares Ltd.	7/12/99	100000
TOTAL			800000

5.5 I find that IDBI vide its letter dated December 8, 1999, wrote to the primary promoters of Aftek that it proposed to sell 85,500 shares and called upon the primary promoters to convey their willingness or otherwise to buy back the said shares at the price of Rs.1340/- per share aggregating to Rs.11,45,70,000. The primary promoters were desirous of acquiring these shares and also wanted to ensure that the said shares do not go into undesirable hands. The promoters agreed to purchase the aforesaid 85,500 shares in the proportion mentioned below and agreed to pay the amount mentioned against the respective names :

Promoter / Borrower	Financier	Entitlement of the promoter	No of shares financed	Amount (in Rs.)
R Malekar 17/12/99	Classic Credit Ltd.	14400	14400	19296000
Humnabadkar 17/12/99	Classic Credit Ltd.	14400	14400	19296000
C Khopkar 18/12/99	Classic Credit Ltd.	4500	4500	6030000
P Broota 17/12/99	Classic Credit Ltd.	4500	4500	6030000
S Save 17/12/99	Classic Credit Ltd.	14400	14400	19296000
R. Dhuru 17/12/99	Classic Credit Ltd.	14400	14400	19296000
N. Shukla 17/12/99	Classic Credit Ltd.	14400	14400	19296000
M Dalal	Classic Credit Ltd.	4500	4500	6030000
Total		85500	85500	114570000

5.6 The details of payment made by the financiers in favour of IDBI for which the account was maintained with Global Trust Bank is as under :

DD No.	DD Date	Amount (Rs.)	Name of Applicant	A/c Debited
6776	30.11.99	2,29,25,000/-	Mividha Investment	1900102132
6777	30.11.99	2,29,25,000/-	Mividha Investment	1900102132
6778	30.11.99	2,29,25,000/-	Classic Credit	1900101830
6779	30.11.99	7,28,00,000/-	Classic Credit	1900101830
6780	30.11.99	7,26,82,500/-	Classic Credit	1900101830
6781	30.11.99	68,00,000/-	Panther Investrade	1900101472
6782	30.11.99	46,75,000/-	Panther Investrade	1900101472
6783	30.11.99	7,26,32,727/-	Panther Investrade	1900101472
6767	30.11.99	42,50,000/-	JDP Shares	1900101458
9169	15.11.99	4,29,97,500/-	JDP Shares	1900101458
9342	19.11.99	55,77,500/-	JDP Shares	1900101458
9349	19.11.99	1,47,00,000/-	Panther Investrade	1900101472
9350	19.11.99	6,57,17,500/-	Panther Investrade	1900101472

5.7 I find that there were 2 sets of agreements entered into by the financiers and the promoters of the company. One was executed on November 15, 1999 called "Financing cum Option Agreement" and other was executed on December 9, 1999 called an "Option Agreement". As per the "Financing Cum Option Agreement" dated November 15, 1999, the break up for the 9,85,000 shares financed is as under :

8,85,000 shares were in the form of option and the balance 1,00,000 shares in the form of loan.

Out of the 9,85,000 shares sold by IDBI, 8,85,000 shares were transferred to various parties under the “Financing cum Option” agreement and the balance shares were held by the promoters.

5.8 I find that 8,85,000 shares were purchased by these entities in terms of a financing cum option agreement. Detailed examination of the agreement reveals that the agreement was structured in such a way that the financiers had complete control regarding exercising of option. Thus, the financiers could purchase the shares on any day and could exercise complete discretion in this regard.

5.9 It is observed that as far as Mividha is concerned, it, along with Classic Credit Ltd., Panther Investrade Ltd., JDP shares & Investment Pvt. Ltd. entered into structured financing cum option agreement with the promoters of Aftek in November 1999 in terms of which the said entities financed the purchase of 9,00,000 shares by the promoters of Aftek from IDBI. Further, the real purpose of the said financing cum option agreement entered into by the said entities with the promoters of Aftek was to transfer the shares being offered by IDBI to the Shri Ketan Parekh entities. Summarised statement in this regard is as under:

Promoter	Financier	Entitle ment of Promot ers	Amount (Rs.) to IDBI	No of shares financed	<u>option</u> loan asst (no.of shares)	<u>Type</u>	<u>option</u> loan asst (Rs)	<u>Type</u>
Sandip Save	Classic Credit Ltd.	151500	72800000	151500	135500	option	66000000	option
					16000	Loan	6800000	loan
R Malekar	Classic Credit Ltd.	151500	72682500	151500	135500	option	65882500	option
					16000	Loan	6800000	loan
A Humnabadkar	Panther Investrade Ltd.	151500	72632727	151500	135500	option	65832727	option
					16000	Loan	6800000	loan

Promoter	Financier	Entitle ment of Promot ers	Amount (Rs.) to IDBI	No of shares financed	<u>option</u> loan asst (no.of shares)	<u>Type</u>	<u>option</u> loan asst (Rs)	<u>Type</u>
C Khopkar	Classic Credit Ltd.	47500	22925000	47500	42500	option	20800000	Option
					5000	Loan	2125000	Loan
R Dhuru	Panther Investrade Ltd.	151500	19375000	41500	30500	option	14700000	Option
					11000	Loan	4675000	Loan
R Dhuru	JDP Shares and Finance Pvt. Ltd.	-	52825000	110000	100000	option	48575000	Option
					10000	Loan	4250000	Loan
N Shukla	Panther Investrade Ltd.	151500	72517500	151500	135500	option	65717500	Option
					16000	Loan	6800000	Loan
M Dalal	Mividha	47500	22925000	47500	42500	option	20800000	Option
					5000	Loan	2125000	Loan
P Broota	Mividha Investments Ltd.	47500	22925000	47500	42500	option	20800000	Option
					5000	Loan	2125000	Loan
Total		900000	431607727	900000	900000		431607727	

Examination of the bank accounts of Mividha Investments (GTB a/c No 2132) shows that Rs. 4,58,50,000/- were paid to IDBI on November 30, 1999 as per financing cum option agreement arranged by Shri Ketan Parekh. Mividha had received Rs. 4,58,50,000/-, on the same date from Triumph Securities Ltd.(TSL) via Triumph International Finance India Ltd. It is already been established that TSL is a Ketan Parekh entity.

5.10 From the above table, it is clear that a sum of Rs. 43.16 crore was given directly by the financiers to IDBI from the account of the financiers in Global Trust Bank.

5.11 I find that Shri Ketan Parekh group made substantial transactions in the no-delivery period. The shares of the company were shifted to trading in the compulsory demat mode with effect from November

29, 1999. The no-delivery period was from November 15, 1999 to December 3, 1999. During the course of investigation, it was observed that both Classic Credit Ltd. as well as Panther Investrade Ltd. had traded in the shares of the company in the no-delivery period. These trading details are as under:

Classic Credit Ltd

Sett. No.	Buy	Sell
35	-	8399 6000 Sub total 14399
36	100000	10000 200000 2750 10000 Sub total - 222750
37	104750	28000 31552 10000
Total	204750	306701
Net : 1,01,951 (Sale)		

Panther Investrade Ltd.

Sr. No.	Buy	Rate	Sell	Rate
35	6000	600.5	37146	615.29
36	-	-	56146	716.23
37	2166	1019	85312	
Total	8166		178604	
Net 1,70,438 (sale)				

5.12 From the above, it is observed that total buy by Classic Credit and Panther Investrade in non-delivery period was 2,12,916 shares and total sell by Classic Credit and Panther Investrade in non-delivery period was 4,85,305 shares. Thereby, the net position by these 2 entities in no-delivery period was 2,72,389 shares (sale). These positions were for 3 no-delivery settlements viz., 35, 36 and 37.

When the deliverable position for the 3 no-delivery settlements is combined and taken into account for settlement no. 38, I find that the total delivery for settlement no. 38 was 3,90,087 shares, constituting 70% of the total delivery.

5.13 Further, KP entities – Shri Kartik Parekh, NH Securities and Panther Investrade also sent shares for demat during this period. However, their shares were dematted on December 11, 1999 and December 14, 1999 i.e. these shares could not be delivered for pay in obligation arising out of sales made during no delivery period which fell on December 8, 1999. This obligation was met out of the shares received from the promoters in exercise of option clause.

5.14 I also note that out of 9,85,000 shares to be sold to the promoters by IDBI, IDBI gave 9,00,000 shares for demat on November 4, 1999 and these shares were dematted on November 17, 1999. IDBI gave the remaining 85,000 shares for demat on November 22, 1999 which were dematted on December 16, 1999. From the demat details, it is seen that up to November 15, 1999, there were only 93500 demat shares. Trading in compulsory demat mode commenced from November 29, 1999 and non delivery period ended on December 3, 1999. It is seen that up to November 30, 1999, a total of 10,30,200 shares were dematted. Of these, the IDBI dematted shares were 9,00,000. Thus, a total of only 2,23,700 $((10,30,200 + 93,500) - 9,00,000)$ shares were available for trading since only these were in demat. I find that this scarcity of floating stock created by KP entities facilitated price manipulation through large buying and selling during no delivery period.

5.15 When the two events - trading in compulsory demat with effect from November 29, 1999 and no delivery period from November 15, 1999 to December 3, 1999 are linked together along with the facts of the case I find that:

- (i) Classic Credit and Panther Investrade had a net sale position in the no delivery period; and
- (ii) none of their shares were dematted at the time of the sale (and also at the end of the no delivery period

5.16 It therefore appears that Classic Credit and Panther Investrade were confident that they could deliver the shares for the payout at the end of the no delivery period despite the fact that they had not got dematted any shares by the time of the sale. Pay in for sales made in no-delivery period was due on December 8, 1999. This undoubtedly shows that they were banking upon promoters and they were confident of getting the shares from promoters by exercise of option clause in the agreement.

5.17 As discussed in detail earlier, 9,00,000 shares were purchased by these entities in terms of a financing cum option agreement. Detailed examination of the agreement reveals that the agreement was structured in such a way that the financiers had complete control regarding exercising of option.

5.19 It is seen from the demat statement of Classic Credit that on December 8, 1999, Classic Credit got demat credit of 2,71,000 shares from the promoters. This was pursuant to letter dated December 7,

1999 of Classic Credit to the promoters informing them that it desired to exercise its option (in terms of the agreement) for 2,71,000 shares. The shares were accordingly credited to the demat account of Classic Credit on December 8 1999 and Classic Credit delivered these shares on the same date to broker Triumph Securities Ltd. as payout in settlement no 37. In essence, these KP entities indulged in market manipulation through sale and purchase in no delivery period which was facilitated by low floating stock due to shares sent for demat as the scrip was in compulsory demat mode of trading w.e.f. November 29, 1999. This manipulative trading led to artificial increase in price of Aftek.

5.20 From the aforesaid findings, I hold that notices created artificial market and volumes in the scrip of Aftek. There was an attempt on their part to disturb market equilibrium and distort the price discovery process by putting in negotiated /cross deals. Towards this end, they entered into structured deals also. The transactions were matched transactions and fictitious and non genuine in nature. These transactions were also circular transactions and created artificial market and volumes for the scrip. They also raised the price apart from entering into matched/synchronized trades which resulted in price distortion and gave misleading appearance of trading. From the trading pattern, I find the following modus operandi adopted by KP entities:

- (i) Misusing the circuit filter mechanism. Major buy orders were placed by Ketan Parekh entities on certain days within first minute of opening of the trading session at a

price which was 8% (maximum permissible for a day) higher than the closing price of the previous day. The sellers expected further rise on following days and did not sell. In the absence of sellers, these large buy orders were not exhausted fully which resulted in artificial increase in the price on low volumes. On the other days, price was artificially taken up at a circuit filter level during the trading session by putting successive buy orders at a price higher than the last traded price.

- ii. By putting large buy orders at a price much higher than the last traded price resulted in all the pending sale orders being executed upon being matched with the buy orders and thereby sweeping the market of sellers. Additionally, any sale order entered into the system at this price or less than price would have got matched with these large pending outstanding orders for purchase. This resulted in price establishment for that day. The orders were being put at a price much higher than last traded price, in a time slot when the market was rising which resulted in taking up the price artificially to much higher levels with low volumes. This was particularly seen during January 15, 2001 to January 22, 2001 when the price was rigged from Rs.474.25 to Rs. 807.05 in 6 trading days). Investigation brought out that out of total number of trades put during the identified slots, where traded price was more than the last traded price, the orders of Ketan Parekh entities accounted for more than 83%.

5.21 I find that the real purpose of the agreements was to transfer the shares being offered by IDBI to the Ketan Parekh entities. This is evident from the following:

i. The statement of promoters of Aftek, Nitin Shukla and Pramod Broota who have categorically stated that to quote;

- *In short I was clear in my mind that financier would be exercising the option at the time of entering into financing cum option agreement.*
- *I was internally at peace because the person who was acquiring these shares was known to us and he would not have disturbed our existing management team. There was no possibility of hostile takeover with Mr. Ketan Parekh acquiring these shares.*
- *We had never met anyone else other than Ketan Parekh in this regard.*
- *The money was given by Ketan Parekh entities to IDBI directly.*

ii. A major component of the finance (8,00,000 shares out of 9,00,000 shares financed) was in the form of option i.e. the financiers had the option to convert into shares the financial assistance advanced by them to the promoters.

iii. The financiers always had the option to convert the financial assistance given by them into shares of Aftek at any time they so desired. The option could be exercised the very next day of advancing the funds. The financier did not have to wait for default by the promoters. In a rising market, as was the case prevailing for the shares of Aftek at that point of time, the promoters could sell them in the market immediately and make

profits after repaying amounts borrowed. However, agreements are so worded that financier could acquire shares at a price at which these shares were offered to promoters by IDBI and not at the market price. The shares were acquired by financiers i.e. Ketan Parekh entities at Rs. 477.75 per share when the market price on the date of acquisition (date when the option was exercised) was Rs. 1292 per share.

- iv. All the financing cum option agreements entered into by each of the ostensibly different financiers with the promoters of the company have stamp papers, all dated November 15, 1999. All the Financing cum Option Agreements entered into by each of the financiers with the promoters of the company for financing 9,00,000 shares are all worded very similarly. They have all been drafted at the office of M/s Pravin V Shah, Chartered Accountants.
- v. All the Option Agreements entered into by each of the financiers (ostensibly not related to each other) with the promoters of the company have stamp papers, all dated November 16, 1999. All the Option Agreements entered into by each of the ostensibly separate financiers with the promoters of the company for financing 85,500 shares are all worded very similarly. They have all been drafted at the office of M/s Pravin V Shah, Chartered Accountants.
- vi. The letters from ostensibly different financiers to the promoters of the company dated December 7, 1999 and December 16, 1999,

inter alia indicating exercise of the option by the ostensibly different financiers simultaneously in pursuance of prior understanding. This is further evident from the fact that letters are similarly worded.

5.23 I find that the transactions were undertaken with an intention to artificially create volumes and induce other investors to trade in the scrip. Acquisition of shares in such a manner resulted in cornering of the floating stock of shares of the company which was generally illiquid and thinly traded. This also assisted in market manipulation.

5.24 I find that Mividha Investments is closely related to Shri Ketan Parekh due to the following reasons:

- i. The letter head of Mividha Investments Ltd. bears the address as "Oxford Centre, 10, Shroff Lane, Colaba Causeway, Colaba, Mumbai 400 005 and phone, fax nos. & email Id as 2826710-13, 2846847 and *triumph@bom2.vsnl.net.in* respectively. This is also the address and phone, fax nos. & email Id of Triumph International Finance India Ltd. and Triumph Securities Ltd., which is a Ketan Parekh entity.
- ii. Shri Dharmesh Doshi, who is a major shareholder and Managing Director of Triumph International, is also the Managing Director and promoter of Mividha Investments. Ketan Parekh, Kartik Parekh, Ami Parekh, Mamta Parekh are also associated with Triumph International and Ketan Parekh /

his family members were also directors in Triumph International at different points of time.

- iii. As mentioned earlier examination of the bank accounts of Mividha Investments (GTB a/c No 2132) shows that Rs. 4,58,50,000/- were paid to IDBI on November 30, 1999 as per financing cum option agreement arranged by Shri Ketan Parekh. Mividha had received Rs. 4,58,50,000/-, on the same date from Triumph Securities Ltd.(TSL) via Triumph International Finance India Ltd. As mentioned earlier TSL is a Ketan Parekh entity.
- iv. I have also noted that SEBI vide order of January 13, 2006, in the matter of Jermyn Capital has given a finding regarding the linkage/association between Dharmesh Doshi and Ketan Parekh. I note that the Hon'ble SAT vide order dated September 6, 2006 while upholding the order held that:

“From the aforesaid facts, what stands established is that Andrews who is carrying on the operations on behalf of the Dubai Co. in the Indian securities market is closely associated with Dharmesh Doshi, who in turn appears to be a close associate of Ketan Parekh who has been debarred from accessing the capital market. Dharmesh Doshi and Ketan Parekh are co-accused in two criminal cases which are pending against them and that Dharmesh Doshi is absconding.”

6.0 ORDER

6.1 From the aforesaid discussion, I find that Mividha, which is closely related to Shri Ketan Parekh as mentioned earlier, had aided and abetted Shri Ketan Parekh in manipulative trading in the scrip of Aftek by creating artificial volumes and price in the scrip by financing the acquisition of shares and interfered with the smooth functioning of the market. I find that Mividha has acted in a manner which erodes the confidence of the investors and adversely affects the integrity and healthy growth of the securities market. In view of the facts and circumstances stated above, I come to the conclusion that Mividha has violated the provisions of (a), (b), (c) and (d) of Regulation 4 of PFUTP, Regulations, 1995.

6.2 In exercise of powers conferred upon me in terms of Section 19 of SEBI Act, 1992 read with Section 11, 11B and Regulation 11 SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, I hereby direct Mividha Investments Pvt. Ltd. not to buy, sell or deal in securities, in any manner, directly or indirectly, for a period of six months.

6.3 This order shall come in force with immediate effect.

PLACE : MUMBAI

T.C. NAIR

DATE : 14/01/2009

**WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**