

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: PRASHANT SARAN, WHOLE TIME MEMBER**

IN THE MATTER OF ALKA INDIA LIMITED

Date of hearing: September 29, 2009

Appearances:

For Noticee: Ms. Mona Vora

For SEBI: Mrs. Barnali Mukherjee, General Manager
Shri Amol Ramchandra Hogade, Asst. General Manager,
Shri Amitesh Kumar, Legal Officer, and
Shri Priyam Ray, Presenting Officer

ORDER

Under Section 11, 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 and Regulation 11 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

1. SEBI conducted an investigation into the dealings in the shares of Alka India Limited (hereinafter referred to as “AIL”) for the period from August 14, 2003 to March 26, 2004 (hereinafter referred to as ‘investigation period’). The investigation revealed that the major sellers in the market, Panchariya Group entities (promoters of AIL), Cavalier Securities Ltd, Panchariya Textile Industries Ltd, Right Finstock Pvt. Ltd were acting in concert and AIL made certain corporate announcements viz. quarterly results with inflated profits and some other premature misleading announcements like acquisition of units, export orders, dividend, preferential allotment with an intent to allure the gullible investors to the shares of AIL so that the promoters/its related and other entities could off-load shares in the market. It was therefore alleged that the aforesaid acts of AIL were in violation of Regulation 3 (a), (b), (c) & (d) 4(1), 4(2) (a), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as ‘PFUTP Regulations’) and Clauses 13.3.1 (f) and (g) of SEBI (DIP) Guidelines, 2000 (hereinafter referred to as “DIP Guidelines”).

2. Vide letter dated April 24, 2009 a notice was issued to AIL asking them to show cause as to why action under Section 11, 11B and 11(4) of the SEBI Act, 1992 read with Regulation 11 of PFUTP Regulations including restraining from accessing the capital market and prohibiting from buying, selling or dealing in the securities in any manner or whatsoever for a particular period should not be initiated against them.

3. An opportunity of personal hearing was granted to them on September 29, 2009 before me. Ms. Mona Vora, authorized representative of AIL appeared on the scheduled date and made submissions on behalf of the noticee. Subsequent to hearing, AIL filed written submissions vide letter dated October 06, 2009.

4. I have carefully considered show cause notice, reply and written submissions thereof and other materials available on records.

5. I note that the facts mentioned and charges alleged in the SCN are as under:

- I. During the investigation period, the price of the shares of AIL opened at Rs.2.33 on August 14, 2003, touched its period high of Rs.2.34 on the same day, touched period low of Re.0.28 on March 23, 2004 and closed at Re.0.40 on March 26, 2004. It was observed that the scrip was heavily traded during this entire period. The scrip was traded with daily average volume of 19,31,024 shares, wherein maximum volumes of 95,30,464 was traded on 15th January 2004.
- II. Total income and net profit of AIL had shown sudden rise during the quarter ended June 30, 2003 as compared to the quarter ended March 31, 2003. Total income and net profit were Rs.25.8crores and Rs.3.77crores respectively during the quarter ended June 30, 2003 as compared to total income of Rs.1.91crores and net loss of Rs.31.8lacs during the quarter ended March 31, 2003.
- III. AIL had published its June 2003 quarterly results in Economic Times on August 5, 2003 with caption "Another textile turns around". In the notes to accounts of the results for quarter ended June 2003, the company made following comments:
 - a. The company expects to export textile products above Rs.500 million in next three years.
 - b. The company has export orders worth Rs.94.10 million in hand.

- c. Board of Directors decided to double the installed capacity with in next two years by internal accrual and term loans.
- IV. AIL had published its unaudited September 2003 quarterly and annual results with the same caption "Another textile turns around". The revenue of the company increased by around 379% to Rs.58.34crores in the year ended September 2003 as compared to Rs.12.19crores for the year ended September 2002. This rise in revenue was accompanied by a tremendous rise in net profit to the tune of Rs.4.47crores for the year ended September 2003 as compared to Rs.2lacs for the year ended September 2002.
- V. In the notes to accounts of the unaudited results for the year ended and quarter ended September 2003, the following comments were made:
- Looking to the constant flow of high value export enquiries, the company expects export business to touch Rs.100crores mark in the next financial year.
 - Board expects textiles demand to be increased along with margins for at least next three years. Board is confident of improving profit quarter after quarter for next three years.
 - The company has started to export Terry towels and garments in Gulf countries. Tie up with J-Mark for export of garments in USA, UK and other European countries.
 - The company has doubled the production capacity by acquisition of two units.
- VI. During the quarter ended December 2003, the revenue of the company had marginally increased to Rs.27.27crores as compared to Rs.27.04crores for the quarter ended September 2003. The company had shown a net profit of Rs.1.96crores for the quarter ended December 2003, which is 43% lower as compared to profit of Rs.3.44crores for the quarter ended September 2003.
- VII. Audited Annual Results for AIL were as follows:

<u>Particulars</u>	Sept 30, 05	Sept 30, 04	Sept 30, 03	Sept 30, 02
Total Income	383.97	110.04	58.34	12.19
Profit Before Tax / (Loss)	0.21	4.66	8.12	0.02
Net Profit after tax / (Loss)	0.14	4.66	4.47	0.02
Eq Cap (Face value – Re. 1)	50	50	25.00	25.00

- VIII. Net profit as per unaudited results of the year ended September 30, 2003 was Rs.6.66crores. However, in the audited results for the year ended September 30, 2003, net profit was shown as Rs.4.47crores around 33% less than unaudited figure of Rs.6.66crores.
- IX. The clients Vikramsingh J Rajput, Shri Ashwin Kanjibhai Patel, Shri Giridharbhai C Karu, Shri Sanjay Thakkar, Shri Narendra Tiwari, Shivram Motilal Meena, Shri Pravin C Jain and Shri Ratnaram B Rabari were selling shares of AIL heavily after aforesaid various announcements. Cavalier Securities Ltd and Right Finstock Pvt Ltd were also observed to be selling shares in the market on BSE. These entities together sold 150342926 shares (around 60% of the equity capital) during the period from August 6, 2003 to January 22, 2004. Out of these, 86229364 were sold within few days of the aforesaid announcements when the price of the scrip went up.
- X. Pancharia group (Shri Satish Pancharia, Shri Arun Pancharia, Shri Ashok Pancharia, Shri Ramswaroop Pancharia, Shri Radha Pancharia, Smt. Saritadevi Pancharia and Smt. Shantadevi Pancharia), promoters of AIL, also offloaded their 11.48% holdings in the company just after the shareholders of the company at its AGM held on 31st December 2003, had approved to issue 25lacs Non-Cumulative Redeemable 6% Preference Share of Rs.100/- each to various entities including Panchariya group. This group traded on six trading days during the period 9th January 2004 to 16th January 2004 and altogether sold 2,69,06,111 shares @ an average rate of Rs.0.42, accounting for 86.41% of market volume on those six days.
- XI. The above offloading of shares by Panchariya group was during the lock-in period as prescribed under Clause 13.3.1 (g) of DIP Guidelines, 2000. Lock-in period for the aforesaid preferential allotment was from December 1, 2003 (one month prior to AGM held on December 31, 2003 in which preferential allotment was approved) to September 30, 2004 (six months after the date of allotment of March 31, 2004). Further, the allotment was made to the promoters who were holding their earlier shares in physical form at the time of allocation in violation of Clause 13.3.1 (f) of DIP Guidelines, 2000.
- XII. All the aforesaid acts of AIL are in violation of Regulation 3 (a), (b), (c) & (d) 4(1), 4(2) (a), (k) and (r) of PFUTP Regulations' and Clauses 13.3.1 (f) and (g) of SEBI (DIP) Guidelines, 2000.

6. AIL in its reply and written submissions have *inter alia* submitted as under:

- a. SEBI had issued SCN pursuant to Regulation 4 (2) (k) of SEBI PFUTP Regulations, 2003 on June 15, 2004 and passed an order on Oct 1, 2004. This action is therefore in violation of Article 20(2) of the constitution of India.
- b. The findings of the investigating officer are based on mere presumptions and assumptions and are not supported by the facts available on the records of the company.
- c. The company has not violated the provisions of SEBI PFUTP Regulations, 2003 as the company has neither bought or sold nor otherwise dealt in securities.
- d. Clause no. 13.3.1(f) has not been violated since entire shareholding of the preferential allottees was in dematerialized form.
- e. Violation of preferential allotment guidelines does not invoke the provisions of Section 11 and 11B of SEBI Act, 1992 and Regulation 11 of SEBI PFUTP Regulations, 2003.
- f. The promoters have not gained from the sale of securities.
- g. SCN has been issued after six years from the alleged period of violation.
- h. AIL issued and allotted 25,00,000 6% Non Cumulative Redeemable Preference (NCRP) shares on 31-03-2004. The company converted 25,00,000 NCRP shares of Rs.100/- each in to 25,00,00,000 equity shares of Rs.1/- each on June 30, 2004.
- i. SEBI has changed SEBI DIP Guidelines with effect from April 8, 2004 by inserting clauses (e) to (h) in the 13.3.1 of the said guidelines. As the instrument were allotted on March 31, 2004 prior to the amendment came into force and the amendment did not have retrospective effect and that the allotment of NCRP made on March 31 2004 is beyond the scope and purview of these clauses of the amended guidelines.

7. I note that adjudicating officer has passed an order dated October 1, 2004 giving a benefit of doubt to AIL with a view that this was not a fit case warranting imposition of monetary penalty in terms of 15HB of SEBI Act, 1992 and Regulation 4(2) (k) of the SEBI (PFUTP) Regulations, 2003. The adjudication proceedings were initiated against the company as the note no. 3 to the un-audited financial results for the quarter ended June 2003 that “the company expects to get high profit for the quality yarn” was not a qualification given to any of the entries in the tabulated results of the company and as it was prima facie felt that the aforesaid note was vague and was intended to mislead the market. Thus, the scope that adjudicating order was very limited to one of the notes to the financial results for the quarter ended June 2003 while the scope of instant show cause notice is

much wider with allegation that the company made various announcements viz. quarterly results for quarters ended June and September 2003 with inflated profits and some other premature misleading announcements like acquisition of units, export orders, dividend, preferential allotment so that the gullible investors might get attracted to the scrip and the promoter/its related entities could off-load shares in the market. Further, there is no question of violation of Article 20(2) of the Indian constitution since these proceedings are civil in nature and not criminal. Moreover, proceedings under section 11 and 11B are different from adjudication proceedings and both these proceedings can be initiated and conducted against an entity under SEBI Act.

8. The arguments of the company that the Clauses 13.3.1 (f) and (g) of DIP Guidelines, 2000 were inserted with effect from April 8, 2004 and these clause did not have retrospective effect are tenable. I note that these guidelines did not exist at the time when the preferential allotment of NCRP shares was made and do not have retrospective effect. Further, I note that though the company converted these NCRP shares into equity shares on June 30, 2004 after the insertion of these guidelines, these guidelines are not applicable for the conversion of NCRP shares allotted prior to their coming into effect. Hence, I am of the view that the allotment of NCRP shares done by the company was not in violation of DIP guidelines as alleged.

9. Regarding the audited net profit figure for the year ended September 2003 being 33% lesser than the unaudited figure for the same period, AIL had informed during the investigation that the reason for variation were due to the difference in providing tax and deferred tax estimates in the unaudited and audited results of the company. I note that in quarter ended June 30, 2003, AIL had not made any provision for tax even though profit before tax was Rs.3.77crores. In quarter ended September 30, 2003, the company made provision of Rs.51.3lacs for tax when the profit before tax was Rs.3.95crores. Final provision in Audited results for the year ended September 2003 was Rs.2.84crores for current tax and Rs.80.88lacs for deferred tax. No provision for deferred tax was, however, given in any unaudited quarterly results announced during the year ended September 30, 2003. Hence, it is clear that AIL deliberately made less provision for tax in the quarters ended June and September 2003 to show high profits even though current tax and deferred tax liability could have easily been estimated. Thus, AIL deliberately published these quarterly results with inflated profits to allure the investors.

10. I also note that AIL did not provide copies of all the orders executed / fulfilled, proof of delivery of goods and bank statement indicating the payments received for those orders with the name of the counterparty during the quarters ended June 30 2003 and September 30, 2003 to SEBI. AIL stated that pursuant to provisions of Section 17 of the Companies Act, 1956, the registered office was transferred from Gujarat to Maharashtra and during the course of transfer some of the files which were statutorily not required to be preserved were destroyed and as such the records for the year 2003 of the orders were not available with them. This argument is not acceptable. As per Section 209 of The Companies act, 1956, the books of account relating to a period of not less than eight years immediately proceeding the current year together with the vouchers relevant to any entry in such books of account are to be preserved in good order. The company also did not provide bank statements as Kuber Co-operative Bank Ltd in which the company had bank account is no more in existence pursuant to the order of Reserve Bank of India (RBI). Thus, all these facts reveal that AIL has not maintained its records/documents properly as required under the Companies Act, 1956 or the company is trying to hide the information from SEBI. Hence, I am of the view that AIL has not satisfactorily dislodged the allegation of publishing inflated quarterly results and thus making false and misleading announcements.

11. Regarding the status of announcements of high export revenue projections, AIL replied during investigation that in the financial year 2003-04 the company had exported textile products in a gulf country and provided copies of few invoices (worth Rs.61 lacs). AIL further added that some of the orders were not executed because of the price fluctuations and ultimately were cancelled. AIL also informed that the company got enough orders from indigenous markets which were more beneficial to the company as compared to exports and considering less risk in the domestic market the management decided first to execute indigenous order and then export. The company informed that their sales for the year ended September 2004 were Rs.110crores. However, AIL did not provide the basis on which it made announcements regarding high revenue projections from exports especially when the company was not very much inclined to export and the company did not have actual export orders of such high values in hand.

12. Further with regard to the announcement of export orders worth Rs.94.10 million in hand in the notes to the June 2003 quarterly results, I note from the copies of export orders provided by AIL during the investigation that most of these orders were to be executed/fulfilled on or before July 31, 2003. The company, whereas, had made announcement of these orders as orders in hand in

the notes to June 2003 quarterly results which were published on August 2, 2003. Thus, I am of the view that AIL made the announcements about the export orders even though due date to execute most of those orders was over and thus were misleading.

13. Regarding the doubling of the production capacity by acquisition of two units, AIL during the investigation informed that the company entered into some understanding with two existing spinning units viz. Krishna Spin Tex and Somay Cotsyn Private Ltd to get used 100% production of the said units and accordingly company acquired 100% production capacity of the two existing spinning units located in Ahmedabad. It also provided the copies of the agreements with these two units. I find from these agreements that it was for using the production capacity and not for the actual acquisition/purchase of those units. The company also did not provide any specific details about the production done by these two units in its annual reports of the financial year 2003-04. I also note that AIL did not provide bank statements showing payments made for these units. Thus, the allegation that misleading announcements were made by AIL regarding the acquisition of manufacturing units even though there was no actual purchase/acquisition of those units stands established.

14. During the investigation, AIL informed that it was a part of regular practice of the company to announce the major significant events to the stakeholders and public at a whole. However, I note that AIL had not made such announcements in the notes to accounts prior to the announcement of June 2003 quarterly results. Hence, I am of the view that AIL published the quarterly results with high profits with the headline “Another textile turns around” together with certain forward looking statements making attractive announcements to the investors, with some inherent manipulative intent.

15. I further note that the promoter entities, its related entities and other aforesaid entities traded on market as under:

Names	Shares Bought	Shares Sold
Panchariya Group	0	2,69,06,111
Right Finstock Pvt. Ltd.	1000	5,01,000
Ratnaram B Rabari	570154	4352115
Sanjay Thakkar	1,70,539	1,75,94,964
Pravin C Jain	1,42,800	3,36,02,273
Narendra Tiwari	30,491	3,38,32,531

Names	Shares Bought	Shares Sold
Shivram Motilal Meena	58,15,919	1,39,87,416
Girdharbhai C Karu	3,60,210	5,17,53,963
Ashwin Kanjibhai Patel	6,20,154	68,71,434
Vikramsingh J Rajput	71802	9525000
Cavalier Securities Ltd.	0	1809804
Ratnaram B Choyal	1715900	

16. I find from the above table that except for Ratnaram B Choyal, all these entities made large sale transactions as compared to the purchases in AIL. Panchariya Group, PACs, Promoter related entities, other entities also indulged in off market transactions amongst one another. These on market and off market transactions were executed very close to the date of various misleading/premature positive announcements. The details of these transactions vis-à-vis the said announcements are as under:

Trading vis-à-vis corporate announcements

Sr. No	Date	News text	Implication on price of the scrip	Trading by major entities on BSE	Offmarket transactions
1	Informed to exchange on August 2, 2003. Published in Economic times on August 5, 2003 with caption "Another textile turns around"	Results for the quarter ended June 2003:	Price of the scrip started rising on from next trading day of August 4, 2003 (opening price of Rs.1.06) reached a high of Rs.2.82 on August 12, 2003 and closed at Rs.2.19 on August 13, 2003. Previous close was Rs.0.89 on August 1, 2003	Vikramsingh J Rajput sold 9525000 shares on Aug 6, 7, 8,11 12 2003	Vikramsingh J Rajput had received 30,00,000 shares from Panchariya Textiles Industries Ltd (having the same address as Alka India Ltd) in off-market on August 12, 2003
2	Informed to Exchange on October 6, 2003	Results for the quarter ended September 2003	On 6 th October 2003, the scrip opened at Re. 0.73 and touched its applicable upper circuit rate (20%) of Re. 0.81 (previous close was Re. 0.68).	Girdharbhai Chaiturao Karu Sold 3827959 on 4 days during 06/10/2003 to 14/10/2003	Girdharbhai C Karu had received 50,00,000 shares from Ashwin Patel on October 10, 2003, 5,00,000 shares from Cavalier Securities Ltd on October 9, 2003, 25,00,000 shares from Ratnaram B Rabari on September 9, 2003 and 5580000 shares from Nilesh V Sheth on September 29, 2003

				Pravin C Jain sold 3153134 shares on Oct 10 and 16, 2003	Pravin C Jain received 5500000 shares from Ashwin Patel on October 10, 2003, 4,00,000 shares from Shivrani Motilal Meena on October 20, 2003 and 9644000 shares from Lila Laboratories Ltd in September 2003
				Narendra Tiwari sold 3343056 shares on Oct 9 and 15, 2003	Narendra Tiwari received 2500000 shares on October 9, 2003 from Hitendra C Makwana
3	Informed to Exchange on November 18, 2003	AIL's Board declares Results for Year ended September 2003 and dividend:	On 18 th November 2003, the scrip opened at Re. 0.9 and touched its intra day high of Re. 0.92 (8.64% higher as compared to previous close of Re. 0.86).	Narendra Tiwari sold 7943246 shares on Nov 18, 19 and 20, 2003	Received 4032000 shares from Nilesh V Sheth on Nov 20, 2003, 1900000 shares from Sanjay Thakkar and 1200000 shares from pravin Jain on Nov 21, 2003
4	Informed to Exchange on January 3, 2004	AIL's Outcome of AGM:	On 5 th January 2004 (next trading day after 3 rd January 2004), the scrip opened at Re. 0.6 and touched its intra day high of Re. 0.65 (14.04% higher as compared to previous close of Re. 0.57).	Pravin C Jain sold 3176511 shares on Jan 5, 2004	received 19036500 shares from Right Finstock Pvt. Ltd. from Dec 16, 2003 to January 6, 2004
	12:13:16 PM	AIL has informed BSE that at the Annual General Meeting held on December 31, 2003, the shareholders have approved the following business matters:		Narendra D Tiwari sold 13539286 shares on Jan 6, 7 and 8, 2004 and sold 4403600 shares on Jan 20 and 22, 2004	received 37409350 shares from Right Finstock Pvt. Ltd. during Jan 7-21 2004, 1618000 shares from Cavalier Securities Ltd. on Jan 7, 2004

		1. Increase in Authorized Share Capital of the company from Rs.250 million to Rs.1000 million.	Price of the scrip reached a high of Rs.0.68 on January 6, 2004 and started falling after that and closed at Rs.0.35 on January 15, 2004.	Panchariya group entities sold 26906111 shares on 6 days during Jan 9 to 16, 2004	total pay in for settlement number 206 (due on 20th January 2004), on account of sale transactions of promoter group was for 15,40,485 shares, for which altogether 6,98,088 shares were received in member Harikishan Hiralal's pool account from them and remaining 8,42,397 shares were credited to members pool account from demat account number 10013034 which belongs to Narendra Tiwari to meet the entire pay in obligation of promoter group
		2. To issue and allot in one or more lots on preferential or as Right Issue basis not exceeding 25,00,00,000 equity shares of Rs 1/- at a price not less than Re 1/- per share.		Cavalier Securities Ltd. sold 18,09,804 shares (9,92,761 shares on 15th January 2004 and 8,17,043 shares on 3rd February 2004)	Had off-market transaction with Panchariya group entities in May- June 2004. Had also off-market transactions with various entities through out the investigation period
		3. Issue of Non-Cumulative Redeemable 6% Preference Share of Rs.100/- each not exceeding Rs.250 million			

17. From the table given above, I find that the price of the shares of AIL went up every time it made any announcement and the promoters/related entities directly or indirectly through other entities (front entities) offloaded shares in the market at these high prices.

18. I note that the major sellers viz. Shri Vikramsingh J Rajput, Shri Ashwin Kanjibhai Patel, Shri Giridharbhai C Karu, Shri Sanjay Thakkar, Shri Narendra Tiwari, Shri Shivram Motilal Meena, Shri Pravin C Jain and Shri Ratnaram B Rabari had received shares from Cavalier Securities Ltd,

Panchariya Textile Industries Ltd, Shri Nilesh V Sheth, Shri Hitendra Chaturbhai Makwana and Right Finstock Pvt. Ltd. in the off-market transactions just before the sale of shares. These sellers also transacted in off-market with each other around the same period. Right Finstock Pvt. Ltd. had received shares from person acting in concert under promoters' category viz. Shri Kailashben J Patel and Shri Durgaram Umaram Dudi, as well as from other entities in off market deals. Shri Ashok Pancharia, a promoter related entity and non-executive director of AIL was also director of Cavalier Securities Ltd. Panchariya Textile Industries Ltd was having the same address as AIL.

19. I also note that total pay in for settlement number 206 (due on 20th January 2004), on account of sale transactions of promoter group was for 15,40,485 shares, for which altogether 6,98,088 shares were received in member Harikishan Hiralal's pool account from their demat accounts and remaining 8,42,397 shares were credited to the said member's pool account from demat account number 10013034 which belongs to Shri Narendra Tiwari (one of the major sellers in market) to meet the entire pay in obligation of promoter group.

20. I further note that during the investigation, AIL denied having any relationship with the persons who were major sellers in the market. The promoters, however, did not provide any explanation for settlement of their pay in obligation by Shri Narendra Tiwari. The company also informed that the directors and/or relatives of the directors of the company were not holding any securities in Cavalier Securities Ltd at any point of time and none of the present shareholders of Cavalier Securities Ltd was related to any of them. I, however, note that the shares allotted on conversion of preference shares to Cavalier Securities Ltd were held in the name of Shri Ashok Panchariya on behalf of Cavalier Securities Ltd. All these facts indicate that all these major sellers in the market and entities involved in the off-market were connected to the promoters.

21. In view of all the facts mentioned above, I am of the view that AIL deliberately made misleading announcements like inflated quarterly results, export orders, acquisition of manufacturing units etc. with an intention to raise the price and create liquidity in the shares so that the gullible investors are attracted to these shares and the promoters/other related entities could offload shares in the market at these high prices. These acts of AIL are in violation of the Regulation 3 (a), (b), (c) & (d) and 4(1), 4(2) (a), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003.

22. Therefore, taking into consideration the facts and circumstances of the case, I, in exercise of the powers conferred upon me under Sections 19 of the SEBI Act and Sections 11, 11B and 11(4) of SEBI Act, 1992 read with Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, do hereby restrain Alka India Limited (PAN:AABCA6702F) from buying, selling or dealing in the securities market in any manner whatsoever or accessing the securities market, directly or indirectly, for a period of six months from the date of this order.

23. A copy of this order shall be served on all recognized stock exchanges and depositories to ensure that the noticee does not undertake transactions prohibited in Para 22 above.

24. This order shall come into force with immediate effect.

Date: February 25, 2010

Place: Mumbai

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