

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

DIRECTIONS UNDER SECTION 11(1), 11(4), 11A AND 11B OF THE SEBI ACT,
1992 IN THE MATTER OF BROOKS LABORATORIES LTD.**Background:**

1. Brooks Laboratories Ltd. (hereinafter referred to as '*Brooks*') incorporated on January 23, 2002 by Atul Ranchal and Rajesh Mahajan is a pharmaceutical contract research and manufacturing services company having its manufacturing facility at Baddi, Himachal Pradesh.
2. Brooks entered the capital market by way of an issuance of equity shares to the public in the price band of ₹90 to ₹100 per equity share of face value of ₹10 each aggregating ₹63 crores. The primary objective of the issue was to set up a manufacturing unit at JB SEZ P. Ltd, Panoli, Gujarat for manufacturing of various pharmaceuticals formulations and to meet long term working capital requirement.
3. The issue was graded by ICRA and assigned the Initial Public Offering (hereinafter referred to as '*IPO*') Grade 2 indicating below average fundamentals. The bids opened on August 16, 2011 and closed on August 18, 2011. The issue was managed by D&A Financial Services P. Ltd. as Book Running Lead Manager (hereinafter referred to as '*BRLM*'). The issue received 4,878 applications for 11,121,360 equity shares resulting in 1.76 times subscription. The price of the public issue was fixed at ₹100. The details of the applications received in the issue are as under:-

Category	No. of applications	No. of shares	No. of times subscription
Retails Individual Bidders	4,826	81,62,460	3.7018
Non Institutional Bidders	52	29,58,900	3.1311
Qualified Institutional Bidders	--	--	--
Total	4,878	1,11,21,360	1.7653

Utilization of the issue proceeds:

4. Brooks in its prospectus dated August 22, 2011 has given a detailed break-up as to how the issue proceeds shall be utilized as estimated by its management:-

(₹ in crores)

Sr. No.	Object	Total Estimated Cost
1.	Land	6.35
2.	Building and Construction	12.20
3.	Plant and Machinery	19.94
4.	Utilities	11.00
5.	Misc. Fixed Assets	2.30
6.	Long Term Working Capital	5.00
7.	General corporate purposes	3.28
8.	Listing Fees to Stock Exchanges	0.01
9.	Issue Expenses	2.92
	Total Cost of the Project	63.00

5. Brooks received a total sum of ₹61,03,07,312 (after deduction of issue related expenses) as issue proceeds on September 2, 2011 and transferred the funds to certain entities on September 2 and 3, 2011. Brooks informed that the money paid was towards repayment of short term loans (inter corporate deposits (hereinafter referred to as 'ICDs')) availed by the company from these entities earlier. The details of the amount transferred from the issue proceeds and the amount received as short term finance (ICDs) is as under:-

Sl. No.	Beneficiary Name	Directors Name	Amount paid from issue proceeds (₹)	Amount recd. as ICD (₹)
1.	Shitalnath Buildcon P. Ltd.	Bhavik Suryakant Parikh Vishal Mukeshkumar Shah	15,00,00,000	15,00,00,000

2.	Konark Commerce & Industries Ltd. (Company listed at Calcutta Stock Exchange Ltd.)	- Ajay Kumar - Agarwal - Pramod Ramdin - Sharma - Pulak Bagchi - Neeraj Kedia - Raj Narayan - Pandey	5,50,00,000	5,50,00,000
3.	MK Distributors P. Ltd.	- Vishnu Kumar - Bhandari - Ramakanta Barik - Rasmita Barik - Deepak Bhandari	4,00,00,000	NIL
4.	Jagdhatri Dealcomm P. Ltd.	- Umesh Singh - Neeraj Kedia	1,35,00,000	1,35,00,000
5.	Pushpanjali Commotrade P. Ltd.	- Pramod Ramdin - Sharma - Pulak Bagchi	1,00,00,000	1,00,00,000
6.	Blue Print Securities P. Ltd. (Company listed at Calcutta Stock Exchange Ltd.)	- Pramod Ramdin - Sharma - Bajrang Kumar - Sultania - Pulak Bagchi - Neeraj Kedia	1,00,00,000	1,00,00,000
7.	Sunshine Housecon Ltd. (Company listed at Calcutta Stock Exchange Ltd.)	- Harish - Nandkishore - Sureka - Pramod Ramdin - Sharma - Pulak Bagchi - Neeraj Kedia	1,00,00,000	1,00,00,000

8.	Pioneer Prodev P. Ltd.	- Umesh Singh - Neeraj Kedia	65,00,000	65,00,000
9.	Shardaraj Tradefin Ltd. (Company listed at Calcutta Stock Exchange Ltd.)	- Bajrang Kumar - Sultania - Pulak Bagchi - Neeraj Kedia	50,00,000	50,00,000
10.	Hillston Advisors P. Ltd. (now Persistent Exim House P. Ltd.)	- Dipti Dinesh Doshi - Parag Dinesh Doshi	40,00,000	40,00,000
11.	Shyama Properties Sales P. Ltd.	- Anil Kumar - Khemka - Megha Garg	NIL	2,00,00,000
12.	Dream Valley Sales P. Ltd.	- Rakesh Bajaj - Mukesh Kumar - Agarwal	NIL	1,00,00,000
13.	Bankebihari Commercial P. Ltd.	- Rakesh Bajaj - Mukesh Kumar - Agarwal	NIL	1,00,00,000
Sub Total			30,40,00,000	30,40,00,000
14.	Fixed Deposit Receipts (September 6, 2011)		19,75,00,000	
15.	Overdraft paid (SBI Goregaon # 6950) and (SBI Mohali # 2308)		9,75,00,000	
Total			59,90,00,000	

6. From the above, it is observed that 7 companies namely Konark Commerce & Industries Ltd., Sunshine Housecon Ltd., Shardaraj Tradefin Ltd., Blue Print Securities Ltd., Pioneer Prodev P. Ltd., Pushpanjali Commotrade P. Ltd. and Jagdhatri Dealcom P. Ltd. have common directors. As per the information

available on the website of Ministry of Corporate Affairs, I note that Blue Print, Sunshine and Shardaraj have common address at 1, Crooked Lane, 1st Floor, Room No. 109, Kolkata – 700069. Further, Jagdhatri and Pushpanjali have common address at 3, Saklat Place, Kolkata – 700072. Thus, based on the criteria of common directors and common addresses, I find that the above entities are connected and related entities (hereinafter referred to as '*the Konark Group*'). Further, 2 entities namely Bakebihari Commercial P. Ltd. and Dream Valley Sales P. Ltd. have common directors and address and are therefore related entities.

7. Brooks furnished 9 copies of agreement it entered into for availing the short term finance (ICDs) at an annual interest rate of 12%. Brooks informed that no agreement was entered into with Hillston Advisors P. Ltd., MK Distributors P. Ltd., Blue Print Securities Ltd. and Sunshine Housecon Ltd. Further, the contract with Shitalnath Buildcon with whom Brooks borrowed a sum of ₹15 crores mentions that the principal and interest shall be repaid on or before September 2011. However, although principal was repaid, Brooks informed that no interest has been paid to Shitalnath Buildcon. Also, the contract with Konark with whom ₹5.5 crores was borrowed mentions that interest shall be paid before December 3, 2011 however no interest has been paid by the company. With regard to other ICDs it was observed that the company has not paid any interest to any of the entities. I have also seen the minutes of the meeting of Board of Directors held on May 25, 2011, July 2, 2011 and July 21, 2011 wherein it was resolved that ICDs shall be raised by the company to fund its capital expenditure. However, I find that Brooks has not made any disclosures with regard to raising of ICDs and its repayment in the RHP dated August 3, 2011/ prospectus dated August 22, 2011. I also note that the agreements entered into by Brooks were only a cover up for a more sinister conspiracy designed to siphon the funds of the public issue.

8. Brooks also transferred ₹4 crores out of the public issue proceeds to MK Distributors without any proper agreement or for any consideration. The RHP/prospectus specifically mentions that *“pending utilization for the identified projects, the Net Proceeds of the Issue are proposed to be invested in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with the banks or for reducing overdraft, for the interim and applicable period.”* I find that the transfer of funds to MK Distributors is not in accordance with what is disclosed in the RHP/prospectus.

Utilization of ICDs

9. Brooks informed that short term loans were utilized to place purchase orders for plant and machinery with a UAE based company Neo Power Universal FZ LLC and also for payment to Suryamukhi Projects P. Ltd. a project contractor the company engaged for providing consultancy and execution of architectural design, civil work, electrical installations, etc. The loans availed by the company were transferred to the following two entities, namely:-

Sl. No.	Account Holder	Director / CEO	Amount (₹)
1.	Suryamukhi Projects P. Ltd.	Pramod Ramdin Sharma Pulak Bagchi	15,30,00,000
2.	Neo Power Universal FZ LLC, UAE	Parag Doshi, CEO	13,97,38,302

10. Bank statements revealed that Brooks received a sum of ₹7 crores from Shitalnath on May 30, 2011 and ₹8 crores from Konark Group on June 2, 2011 as ICDs which was then transferred to Suryamukhi Projects. It is observed that the directors of Konark Group from whom ICDs were availed by the company and directors of Suryamukhi Projects are common and therefore these are related entities. Brooks also entered into a contract dated June 1, 2011 with Suryamukhi Projects for providing the aforesaid services. Although the contract was dated June 1, 2011 Brooks nor its BRLM disclosed this material information

in the RHP/ prospectus. These non-disclosures (i.e. pertaining to raising of ICDs and its repayment, placing purchase orders, appointment of project contractor, payment towards plant and machinery and to the project contractor), transfer of funds between related entities indicates that the directors of the company, its BRLM and the financiers had a tacit understanding to defraud the public issue process and also had a pre-determined plan to siphon off funds from the issue proceeds disguised as ICDs and its repayment.

11. Further, in the RHP/ prospectus the company has revealed the names of suppliers and also the quotation given by them in 2010 for supply of plant and machinery, utilities, etc. The quotations were perused and found that the quotations were received through e-mails without any proper signature. Further, the quotations indicated by the suppliers did not match with those disclosed in the prospectus of the company. It is imperative for a BRLM to make disclosures only after verifying the relevant documents. However, I find that the BRLM has not made any proper due diligence before making disclosures in the RHP/ prospectus.

12. I have also considered a report dated June 27, 2011 of the core technical team of Brooks which had strongly recommended to the Chairman of the company to buy imported machineries in production, quality control instead of indigenous machineries due to stringent requirement and Director General of Foreign Trade (DGFT) norms in the international market. Brooks also proceeded in placing orders for plant and machinery to Neo Power without any quotations and placed orders with Neo Power. The only documents furnished by the company were proforma invoices for shipment of the goods. Brooks also did not disclose that it has placed orders for plant and machinery with a foreign entity and has paid 50% upfront as advance to the said entity. Thus it is observed that Brooks and its BRLM failed to make proper disclosures and also made mis-statements in the RHP/ Prospectus.

13. It was observed that Neo Power vide letters dated July 16 and 19, 2011 sent the pro-forma invoice to the company for the machinery for the proposed plant in Gujarat. The company made 50% as advanced payment to the supplier i.e. ₹13.97 crores (converted in US\$). The invoice mentioned that machinery have been shipped from its place of origin on July 20, 2011, August 8, 2011 and September 20, 2011. However, the company on November 30, 2011 informed that it has not yet received any shipment of plant and machinery. Further, it was also observed that there is no agreement with Neo Power except the pro-forma invoice which is also not complete. Further, the estimated cost of plant and machinery to be procured from India mentioned in the RHP/ Prospectus was ₹19.94 crores. Whereas the imported cost of plant and machinery of ₹14 crores (approx.) and 50% of the purchase cost has already been paid to the supplier and has also not been disclosed in the RHP/ prospectus by Brooks and BRLM.
14. My attention is also drawn to letter dated April 4, 2011 of JB SEZ P. Ltd. to Brooks wherein JB SEZ, while acknowledging the receipt of ₹63 lacs i.e. 10% of the cost of land paid by the company, has advised Brooks to pay 20% to JB SEZ Ltd. as per the Memorandum of Understanding. Brooks in its reply dated April 7, 2011 has refused to pay the amount till such time infrastructure required to start the plant is not ready. I find that Brooks paid for plant and machinery and also for civil work contract even though the acquisition of land has still not been completed. Despite lack of infrastructure at Panoli Gujarat, Brooks proceeded to place orders for plant and machinery, appointed project contractor for execution of civil works and more pertinently paid almost 50% of the entire project cost upfront. I note that although the delivery of plant and machinery was to be shipped from July 2011, Brooks has not received the delivery of it till November 30, 2011.
15. Also, I note that Parag Dinesh Doshi, signatory of the proforma invoice, is the CEO of Neo Power and is also the director of Hillston Advisors, who has given ICDs to Brooks. The address of Hillston as per Ministry of Corporate Affairs

(MCA) website is 4, Bijal Building, 2nd Floor, Hirachand Desai Road, Ghatkopar (West), Mumbai 400086. It is observed that SEBI has initiated prosecution proceedings against Rituja Finvest P. Ltd., Damayanti Finvest P. Ltd., CDP Fincap P. Ltd., Esquire International Ltd., Starshare Investments & Finanz P. Ltd., Ikshu Finvest P. Ltd., KRN Finvest P. Ltd., Stable Construction P. Ltd., New Prabhav Finvest P. Ltd. and Money Television and Industries P. Ltd. whose director Dinesh Doshi was also a Director of Hillston Advisors until his resignation on October 27, 2010.

Role of Merchant Banker

16. I find that Brooks had raised short term loans in the form of ICD from 12 entities for placement of purchase orders for plant and machinery and also toward payment to the project contractor for execution of architectural design, civil works, etc. even though the acquisition of land is still not completed. Here, the merchant banker as part of its due diligence process should have examined the bank statements of Brooks and should have asked questions on the reasons for raising such ICDs. I also find discrepancy in the quotations given by the suppliers for supply of plant and machinery, construction of building and utilities and what is revealed in the prospectus of the company. I find that the prospectus indicated that Brooks shall place orders of plant and machinery, utilities with indigenous company. However, I find that Brooks went ahead and placed orders for plant and machinery to a firm based in UAE and did not disclose the same in the prospectus of the company. I also find that the company has not disclosed the recommendations of its own technical committee strongly recommending purchase of imported plant and machinery rather than indigenous plant and machinery as informed in the prospectus. I am of the view that the due diligence on the part of the merchant banker does not mean passively reporting whatever is reported to it but to find out everything that is worth finding out.

17. A merchant banker is required, at all times, to exercise due diligence, ensure proper care and exercise independent professional judgement. Further, it has to

ensure that adequate disclosures are made to the investors in a timely manner in accordance with the applicable regulations and guidelines so as to enable them to make a balanced and informed decision. It also has to ensure that the investors are provided with true and adequate information. I note that the merchant banker has failed to make adequate disclosure in a timely manner and thereby failed in its responsibility to conduct proper due diligence into the affairs of Brooks.

18. I note that the RHP/prospectus is an offer document for inviting general public to invest in a particular issue of a company and should therefore contain material, true and fair information so that an informed investment decision can be arrived at by an investor to invest in a company. However, I find that the company and its BLRM has not made adequate disclosures from time to time and has acted in detrimental to the interest of the public investors/ securities market.

Trading Analysis

19. On examination of trading pattern in the scrip of Brooks on the listing day i.e. September 5, 2011 reveals that Overall Financial Consultants P. Ltd. bought and sold 6,65,000 shares through the trading member Baba Bhootnath Trade & Commerce Ltd., member BSE and NSE and incurred a loss of ₹2.13 crores. On examination of fund flow pattern it is observed that on September 2, 2011 Shardaraj Tradefin Ltd. received ₹50 lacs from Brooks (as part of issue proceeds) of which ₹25 lacs each was transferred to two entities namely Makesworth Projects & Developers P. Ltd. and Shridhan Jewellers P. Ltd. These entities then transferred ₹25 lacs each to Overall Financial. It is observed that Shardaraj, Makesworth, Shirdhan have common directors and are part of the Konark Group referred to above and are therefore related entities.

20. Further, Konark received ₹5.50 crores from the issue proceeds who then transfers it to Mangalmayee Hirise P. Ltd. Thereafter, Mangalmayee transfers ₹25 lacs to Overall Financial and a further sum of ₹1.50 crores to Khusboo

Complex P. Ltd., ₹50 lacs each to Growfast Realities P. Ltd., Jaganath Consultants P. Ltd., Silicon Hotel P. Ltd., Neelkamal Dealcom P. Ltd. and ₹25 lacs each to Alishan Estates P. Ltd. and Pushpanjali Hirise P. Ltd. These entities namely Khusboo, Growfast, Jaganath, Silicon, Neelkamal, Alishan and Pushpanjali have been observed to have transferred ₹25 lacs each to Overall Financial. Thus, a total sum of ₹2.50 crore has been transferred to Overall Financial from the issue proceeds on September 5, 2011. A point to be noted here is that the transfer of funds in layers is done on the same day i.e. September 5, 2011. It was also observed that Mangalmayee, Khusboo, Silicon, Neelkamal, Alishan and Pushpanjali have common directors and are part of the Konark Group referred to above and are therefore related entities. Thus, *prima facie* it is observed that the amount transferred from the issue proceeds was to set off the losses. Further investigation is required in the matter to establish the role of Overall Financials in the scheme of arrangement. The transfer of funds to Overall Financials is pictorially represented at Annexure 1.

21. The above acts of Brooks, its directors and BRLM are *prima facie* of such nature that it has shattered the confidence of the investors in the public issue process which is not in the interest of the securities market. Thus, *prima facie*, it is observed that Brooks has failed to make prompt, true and fair disclosure of all material developments relating to its business and securities in violation of Regulation 57, Clause 2 (VII) (G) of Part A as specified in Schedule VIII, 60(7) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations'). It is also observed that D&A Financial Services P. Ltd. has failed to exercise due diligence regarding all the aspects of the issue including the veracity and adequate disclosure in the offer documents in violation of Regulation 57, Clause 2 (VII) (G) of Part A as specified in Schedule VIII, 60(7), 64(1) of ICDR Regulations and clauses 4, 6 and 7 as specified in Schedule III of Regulation 13 of SEBI (Merchant Bankers) Regulations, 1992.

22. One basic premise that underlies trading on the stock exchanges is that investors conform to standards of transparency and ethical behavior prescribed in the

various regulations and statutes, relevant in this regard. In the light of the preliminary findings against the entities mentioned above, it would be difficult to conclude that these entities conformed to the prescriptions even remotely. No indulgence on the part of SEBI would be justified, given the sacrosanct mandate of investor protection entrusted to it. Therefore, this is a fit case where SEBI as the regulator needs to intervene sternly and immediately in preventing these entities from operating in the securities market to prevent further misuse and harm, until further directions.

23. Making accurate disclosure is the corner-stone of the IPO process. No lapses and inaccuracies can be tolerated in this regard. It is on the strength of disclosures that the investors take decisions to invest. The scheme of things requires the company should make full and fair disclosure of the state of its affairs and the Merchant Banker should conduct due diligence in respect of the disclosures. Therefore, I will also like to deal with the matter of due diligence carried out by the merchant banker in this particular issue. A Merchant Banker is appointed for the purpose of managing the issue of an IPO of a Company and it plays a fiduciary role by coordinating the activities of the Company, the Regulatory Bodies, and the Investors. The Merchant Banker has responsibilities towards the Company, to manage the entire process of issue of its IPO, and to investors to present the Company's information before them in a concise and unambiguous form.

24. In order to fulfill all his responsibilities the Merchant Banker must work diligently. The process through which he verifies and summarizes the Company's information is thus called the process of Due Diligence. The merchant banker plays a vital role in channeling the financial surplus of the society into productive investment avenues and is therefore expected to exercise due diligence to ensure the adequacy and appropriateness of the disclosures made in offer document. Reference is drawn to the interpretation made by Supreme Court in

the matter of Chander Kanta Bansal V. Rajinder Singh Anand
MANU/SC/7310/2008 : (2008) 5 SCC 117 as under:

The words “due diligence” have not been defined in the Code of Civil Procedure, 1908. According to Oxford Dictionary (Edn. 2006), the word “diligence” means careful and persistent application or effort. “Diligent” means careful and steady in application to one’s work and duties, showing care and effort. As per Black’s law Dictionary (18th Edn), “Due Diligence” means the diligence reasonably expected from, and ordinarily exercised by, a person who seeks to satisfy a legal requirement or to discharge an obligation. According to Words and Phrases by Drain-Dyspnea (Permanent Edn. 13-A) “due diligence”, in law, means doing everything reasonable, not everything possible. “Due Diligence” means reasonable diligence; it means such diligence as a prudent man would exercise in the conduct of his own affairs.

25. Due diligence may not merely mean to passively report all that has been reported to the Merchant banker but to unearth everything that is worth finding out. It is about making an active effort to find out material developments that would affect the interest of the investors. It is on the faith that the intermediary has conducted the due diligence with utmost sincerity that the investing public goes forward and decides to invest in a particular company.

26. It is important to note that with the market moving towards a disclosure based regime, the role of merchant bankers in performing their due diligence functions has become even more important. SEBI’s various operational guidelines issued from time to time with reference to merchant bankers primarily addresses the need to enhance the standard of due diligence and disclosures. It is evident that the Merchant Banker is the focal point in a public issue, without him acting diligently and complying strictly with the letter and spirit of the rules and regulations framed there under, the issue cannot be properly regulated and investors are put to grave danger, which may not be in the interest of the capital

market. This is precisely what has happened in this particular issue where lack of adequate and independent due diligence by the merchant banker has resulted into shenanigans on the part of the company and its promoters/directors.

27. Thus *prima facie* it is observed that:-

- a. The funds raised from ICDs were paid to related entities from whom the ICDs were originally received in the form of advances for equipment, project management fees, etc. While at the same time, paying the original ICD providers also from the issue proceeds. Thus, *prima facie* giving rise to suspicion of doubt i.e. siphoning of funds.
- b. Brooks and its BRLM did not disclose material information which is true and fair so that an informed investment decision can be arrived at by an investor to invest in the company.
- c. Some of the funds received in IPO have also observed to have been transferred through layers to Overall Financial who have traded in the scrip and made losses. Thus, *prima facie* it indicates exit has been given to motivated bidders.
- d. From the above, it is observed that public issue proceeds have been siphoned off for ulterior motives.

ORDER

28. In view of the foregoing, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(1), 11(4), 11A and 11B of the said Act., pending investigations I hereby, by way of an ad interim ex-parte order,

28.1. Prohibit the following persons/ entities from assessing the securities market and further prohibit them from buying, selling or dealing in securities market, directly or indirectly, till further orders:-

Sl. No.	Name of the entity	Permanent Account Number
1.	Brooks Laboratories Ltd.	AACCB5316P

2.	Atul Ranchal, Chairman of Brooks	ADMPR5359L
3.	Rajesh Mahajan, MD of Brooks	AFGPM8060D
4.	Monika Sabharwal, Independent Director of Brooks	ALZPS2887D
5.	Vivek Sharma, Independent Director of Brooks	ABFPS9096N
6.	Lalit Mahajan, Independent Director of Brooks	ABQPM1176L
7.	Durga Shankar Maity, Chief Executive Officer of Brooks	AHNPM4221B
8.	Parvinder Kaur, Company Secretary and Compliance Officer	BNQPK5210E
9.	Ketan Shah, Chief Financial Officer	BIUPS7078D

28.2. The company Brooks Laboratories Ltd. is prohibited from raising any further capital from the securities market, in any manner whatsoever, till further directions.

28.3. The company Brooks Laboratories Ltd. shall call back the ICDs advanced by it to Suryamukhi Projects P. Ltd. and Neo Power Universal FZ LLC, UAE. These amounts together with all the IPO proceeds that are still lying unutilized with the company across all its banks / deposit accounts or any investments including in mutual funds, shall be deposited in an interest bearing escrow account with a scheduled commercial bank, till further orders. A confirmation on compliance of this direction shall be sent by the promoters of Brooks to the stock exchanges where it is listed, within 7 days of the date of order.

28.4. D&A Financial Services P. Ltd. (BRLM) and Dinesh R Kaushik, Director of BRLM are also prohibited from taking up any new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions.

28.5. The above order is without prejudice to any other action that may be initiated against the above entities for the said violations.

- 28.6. The stock exchanges are advised to enable squaring off, at the earliest, existing open positions in the Futures and Options Segment, if any, for the persons/ entities against whom this Order is passed. Further, the concerned stock exchanges should also ensure that said persons/ entities do not take fresh positions or increase their open positions in any manner.
- 28.7. All stock exchanges and depositories are directed to ensure that all the above directions are strictly enforced within the powers available to them.
- 28.8. The persons/ entities against whom this Order is passed may file their objections, if any, within twenty one days from the date of this order and, if they so desire, avail themselves of an opportunity of personal hearing before the Securities and Exchange Board of India, on the date and time to be fixed on a specific request, received from the said persons/ entities.
- 28.9. This order shall come into force with immediate effect.

Place: Mumbai

Date: December 28, 2011

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