INVESTIGATIONS DEPARTMENT

IVD/ID7//SG/KM/142790/2 **/2008**

October 29, 2008

To,

M/s Pramukh Securities Pvt Ltd,
Shri Gajendar Pal Dhody,
M/s 21st century Media Works,
SD-397, Tower Appartment,
S.F.S.Flats,(Near T.V.Tower),
Pitam Pura,
New Delhi – 110 034

Dear Sir,

Sub: Show Cause Notice under Section 11B of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations.

1. The scrip of M/s Orient Trade Link Ltd *(for short 'Orient')* formerly known as M/s Marine Integrated Finance Ltd. is listed at Bombay Stock Exchange (for short 'BSE') and Ahmedabad Stock Exchange. The registered office of the company is situated at 2, Moonlight Complex, Opp. Gurukul, Drive-in Road, Memnagar, Ahmedabad.

2. The trading pattern of the scrip of Orient for the period from July 1, 2002 to October 28, 2002, showed that the price of the scrip at BSE fell from Rs. 13.00 on July 1, 2002 to Rs. 3.45 on October 28, 2002. Large volumes were noticed in the scrip from August 30, 2002 to September 26, 2002 and October 16, 2002 to October 28, 2002. The unusual rise in volume was found to have been not accompanied by any corporate announcement or development made by the company.

3. A formal investigation was conducted by SEBI into the dealings in the scrip of Orient during the abovementioned period. During the course of investigations, it was observed that there was large scale trading carried out in the scrip of orient by Shri Aushim Khetrapal (*hereinafter referred to as "Aushim")* who happened to be Managing Director of Orient and also Managing Director of another company, namely, M/s Denim Enterprises Ltd *(now known as "M/s Divine Entertainment Ltd")* on his own account as well as on behalf of his front company M/s Vincomp Marketing Pvt. Ltd (for short "Vincomp").

4. It was observed that during the investigation period, M/s Pramukh Securities Pvt Ltd (hereinafter referred to as "Pramukh") dealt through the sub broker M/s Exponential Financial Services Pvt. Ltd *(*for short *"Exponential")* registered with the broker, M/s IKM Investor Services Ltd *(*for short *"IKM")* using four different client codes. The total quantity bought and sold by Pramukh using various client codes during the period *(August 30, 2002 to September 26, 2002)* was 4,70,984 shares and 10,55,991 shares respectively. It was also found that the directors of Pramukh are Shri Gajendar Pal Dhody (for short *"G.P.Dhody")*, Shri Harjit Singh Bajaj and Shri Sat Pal Babbar. G. P. Dhody dealt in the scrip through another member M/s TCP Stock Brokers Ltd *(*for short *"TCP")* both in his individual capacity and through his proprietorship concern M/s 21st Century Media Works. From

October 16 -28, 2002, the total bought and sold quantity was 1, 06,300 shares and 9, 76,725 shares respectively. Thus the total bought and sold quantity of these persons/entities during the total period under investigation was 5,77,284 shares and 20,32,716 shares respectively. These clients were net sellers of 14,55,432 shares during the period under investigation.

5. It was found, during the course of investigation, that the above mentioned two entities namely Pramukh and M/s 21st Century Media Works were related and connected as G. P. Dhody was the common link in all the entities.

6. From the analysis of trade and order log, numerous instances of matched and reversed trades/transactions were observed between Pramukh dealing through the sub broker M/s Exponential and G. P. Dhody dealing through M/s MLD Securities Pvt Ltd which acted as an unregistered sub broker of TCP. It is observed from the trade log that these two persons/entities had squared off their transactions on all these days. The details of these matched trades are shown in the following table:

IKM				**TCP**			
Client –M/s Pramukh				**Client – M/s MLD**			
Sl. No.	**Date**	**Bought**	**Sold**	**Bought**	**Sold**	**Gross**	**% to total Market volume**
1.	September 3, 2002	10,500	10,500	10,500	10,500	42,000	25%
2.	September 4, 2002	49,100	49,100	49,100	49,100	1,96,400	25.8%
3.	September 5, 2002	52,900	52,900	52,900	52,900	2,11,600	30.7%

4.	September 6, 2002	38,200	38,200	38,200	38,200	1,52,800	27%
5.	September 9, 2002	42,800	42,800	42,800	42,800	1,71,200	15.2%
6.	September 11, 2002	40,950	40,950	40,950	40,950	1,63,800	17.5%
7.	September 12, 2002	30,620	30,600	30,600	30,600	1,22,400	17.2%
8.	September 13, 2002	39,700	38,500	38,500	38,500	1,54,000	15.10%
9.	September 16, 2002	23,600	23,600	23,600	23,600	94,400	8.37%

It is noted that the ultimate client of M/s MLD Securities Pvt Ltd who was placing the buy/sell orders was G. P. Dhody who is one of the directors in Pramukh. Thus, the entities on both sides of the trades were the same.

7. During the course of investigation, it was also observed that G. P. Dhody had advanced huge loans to Aushim which were outstanding. It appears that in order to recover the loans, G.P. Dhody and Pramukh have traded in the scrip as instructed by Aushim. For this purpose, Aushim has transferred shares from time to time to the demat account of Pramukh from various accounts. Further, from analysis of the demat account statement of Pramukh, it is noticed that there was inflow of 1828200 shares from time to time into the account of Pramukh from various demat accounts of Aushim Khetrapal/ his related/ front entities as shown in the following table:

S. No.	**Transferred from**	**Transferred to**	**No. of shares**
1	Prem Kumar Sharma DP A/c No.10446961	M/s Pramukh Securities Pvt. Ltd. DP A/c No.10020804	4,00,000
2	Rajesh Kumar Patel DP A/c No.10000047	M/s Pramukh Securities Pvt. Ltd.	9,00,700

		DP A/c No.10020804	
3	M/s Vincomp Marketing Pvt. Ltd. DP A/c No. 10014717	M/s Pramukh Securities Pvt. Ltd. DP A/c No.10020804	5,27,500
		GRAND TOTAL	**18,28,200**

8. In this regards, it is noted that G. P. Dhody in his statement dated 13/12/2004 before SEBI, clarified that shares were given in his demat account by Aushim in lieu of amount due from him. Thus, it is alleged that G. P. Dhody in his individual capacity and through his proprietorship concern M/s 21st Century Media Works and Pramukh have aided and abetted Aushim Khetrapal in executing trades aimed at market manipulation.

9. It was also observed that 600000 shares were transferred by Shri Subhashbhai Patel to demat account number 10446961 in the name of Shri Prem Kumar Sharma. An analysis of the demat account opening form of this account revealed that G. P. Dhody was the nominee and the address mentioned in the said account was that of his own address. Thus, it can be concluded that this demat account was controlled by Pramukh/G. P. Dhody.

10 Further, from the bank account statements of G. P. Dhody and that of Pramukh, it is observed that during most of the period under investigation, the sales proceeds of shares were received in both the bank accounts. Some instances of transfers of funds from Pramukh to the account of G. P. Dhody were also observed. However, no movement of funds either to the accounts of Aushim or M/s Vincomp was noticed during the period August 1, 2002 to October 31, 2002. Likewise, when Pramukh entered into a tripartite agreement dated December 19, 2002 with IKM and the sub broker M/s Exponential, it agreed to take 4, 25,000 shares in lieu of the due payment which was to be made by Aushim against his purchases to the broker and to the sub broker respectively. All this shows that the dealings of Shri G. P.

Dhody and Pramukh were carried out on their own behalf and not on account of Aushim.

11. Thus, it can be inferred that the motive of Pramukh, G. P. Dhody and 21st Century Media Works was not of genuine trading but simply to recover the due amount from Aushim/Vincomp and that their dealings were mere reflections of the financing arrangements crystallized between the parties outside the stock exchange mechanism. In view of this, it is alleged that the noticees have aided and abetted Aushim Khetrapal in creating artificial volumes through circular and matched trading in the scrip of Orient resulting in violation of the provisions of Regulations 4(b) and 4(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations 1995 read with Regulation 13(2) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

12. In view of the above, you are called upon to show cause as to why action in terms of Section 11 and 11B of SEBI Act, 1992 read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations should not be taken against you for violations specified above, which may include restraining you from accessing the securities market and prohibiting you from buying, selling or otherwise dealing in securities for an appropriate period of time. This shall be without prejudice to the right of SEBI to initiate prosecution proceedings under section 24 of SEBI Act, 1992 or any other action as it may deem fit in terms of the said Act or the rules and Regulations framed there under.

13. Your written submissions, if any, should reach the undersigned within a period of 15 days failing which it shall be construed that you have no

comments to offer and SEBI would be free to take action against you in terms of the Regulations and the Act. You shall be provided with an opportunity of personal hearing before the appropriate authority if you so desire.

14. Vide Circular no. EFD/ED/Cir-1/2007 dated April 20, 2007 (available at www.sebi.gov.in), SEBI has come out with guidelines for passing of consent orders. If you wish to avail the consent process, you may apply in the prescribed form given in the said Circular. Your application should be forwarded to the address mentioned in the said Circular under intimation to the undersigned.

Yours Faithfully,

Authorized Signatory