Investors protection at securities market secures the investors futures by eventually spending the cash for all expenses. Sound market regulation is required for more profit earning. The capital formation in such a way sustains economic growth. Investor protection focuses on making sure that investors are fully informed about their purchases, transactions, affairs of the company. Investor education yields like restoring investors confidence in the stock market. Due to the awareness of investors there was a wide spread of equity in the stock market by various process, the investors confidence of grievance redressal are retained by the stock exchange. The education campaign and protection fund are given to restore the investors confidence.

**Objectives of SEBI to investors protection**

1. Steady flow of savings into capital market.
2. Fair practice of issue with least cost
3. More competency among merchant bankers, mutual funds and intermediaries for sustained services of investors market.

Investor protection is fundamental to a healthy growth of the capital market. Protection is not be conceived of as a system which guarantees to an investor that a his investment will not diminish in value or that the return on his investment will remain assured for all time. An investor who enters the capital market and particularly the equity must understand that there are risks which are inherent in the very nature of market and that if he wishes to secure the benefits provided by the market he must also accept these risks.

However investor protection demands that the potential investor is protected with all information which is necessary for him to take a decision after
proper assessment of the risks and benefits of the proposed investment. Adequacy of disclosure is therefore the cornerstone of a healthy capital. Whatever be the source of information it is necessary that such information should be accurate, complete, timely and not misleading. While therefore very attempt should be made to ensure that the disclosure requirements in the offer document satisfy these tests, it must be recognized that the average investor is more likely to rely upon modes of information other than the offer document in making his investment decision. It is important that the same criteria should as far as possible apply to such other sources of information.

The investor association representatives are sent to attend the shareholders meetings of companies. The association handles investor grievances, they issues house journal, publication for enhancing investors awareness. The association also care and look in to activities of the stock exchange, government, companies in the interest of investors in general and the members in particular. The association is abide by the rules and regulations framed by the SEBI from time to time. Whether any suits have been pending against any of its office bearers/members in any court of law, details may be collected. The association concentrate at the most to the effective functioning and better discipline of its own.

SEBI wears dentures to fight against manipulations and finally those people get away with murder. It contains a substantial body of requirements for the issuers and intermediaries to ensure higher standards of integrity and fair dealing. In order to ensure that normal practices taken place, a representative of SEBI supervises the allotment process. SEBI issues an advertisement code for the issuers that the advertisement remains fair and does not contain statements that mislead the investor from their informed judgement. It also set up certain procedures like the categorization of complaints and their regular follow up with defaulting companies. To handle a large volume of complaints the grievance cell has been computerized.

It has an element of making sure that the invested money is not defrauded by brokers or other parties. The investor cannot think of him that an insurance policy is a protection for loss but it is an opportunity to every profit in future.
Apart from liquidity and return, safety is ensured to mobilized savings of the public and can be enhanced through credit rating. When the financial risk is least safety is assessed through the financial capacity of the company in advance through a reliable assessment called credit rating. The confidence of investors arises from the history of the enterprises where they have invested saving. Credit rating is highly beneficial to individual, investors and institutions where cost component is low, takes calculated risk, high return expecting companies, low dependence on brokers and merchant bankers, no intermediary services monitoring, mechanism and investor population.

On the part of protection to investors the companies have provided assured return on schemes and protection of investors contribution. The sponsoring banks have settles the claims on the other hand. This paper is conceptual and largely based on secondary information. Clarifies the various investors protection measures taken by SEBI from time to time. Regulating the capital market is a most challenging task because the regulations are made in a every tedious manner to one has to understand and forego. Regulation is the place where emerges frauding. The traders exempt the trade of affected shareholders to make them profitable during new seasons forgetting old ones. Due to the misunderstanding between the intermediaries of paying brokerage there cannot be failures on return. Investors aware of regulations on all unscrupulous trading activity makes him learnt of requirements and earn outcome during instances. The shareholders can tackle everytime of real investment of purchase if he even more have huge investment. The credit rating is extended to shares of companies. The securities of stockexchange get expressed terms of return and risk. So inherent prescribed laws are formulated by the regulatory body. During certain items there are pre rules based on there formation and of another items made up laws at relevant time are learned by the shareholders. At new items / on upcoming items the learners have been taking instances of information by their way of trading so why we are discussing this is only learned investors can escape from the expected risk of share market. Otherwise the risk - less adjusted performance are given to the
shareholders to the issued securities by their intermediaries. It is given only to high income generating shareholders and not to low income groups.

Credit rating of securities conform prompt decision of instruments. The marketing terms like channelizing savings to shareholders of already listed and to the non-listed clients. The safety, liquidity and marketability of scrips are disclosed to the society to absorb specific groups of investors. The rating is prescribed to big investors of aiming assured return earlier and who invests at the capitalization part of the company. The immediate requirement of trade return and incase of dispute on investment the reply on redressal is given to such shareholders. The small group of investor are not so approaching to assured return and redressal during circumstances. They seeks justice from the forums for the value loss at the market and cannot held repayment of it otherwise. The repaying losses cannot be submitted in the form of complaint and compliance.

Beginning period of investment is the time to decision making of segregated sectors of investment. The proper selection of securities for investors protection is given to body corporate. The high salaried groups are protected from the brokers who they are associated with the securities market. The low income groups can invest only at profitable and protected zone of investment where no entry of fraud is permitted. So there are the ensurability of the factors of investment. Sometimes even out of this cover there may be chances to loss due to the market fall now it is managed by all the groups of shareholders. If they don’t want to sell their shares and possible alternatives are available to them with the terms of the stockexchange they cannot use the sell order. They can use it later after the reach of market at the top. The decision making with the restricting conditions have to take or not is the duty of the shareholders. The necessary supply of information of securities is given to them with the websites of brokers. The investor education and awareness is given to them during seasons for which new shareholders can recoup themselves to the new investment opportunities. The fear of investment is not grown in the habit of investment of shareholders. Free investment and meeting of legal requirements is vest in the hands of the shareholders.
Tips for investors to trade on stock exchange.

a. The transfer deed which has to be lodged along with the share certificate is valid for a period of one year or till the next book closure date whichever is late.

b. Prior to the issue of dividend warrants, bonus shares and rights, books of those company are closed for a while. Typically the books are closed for 5 to 8 days about a month before the issue of dividend, warrants, bonus shares and rights.

For ex. If the company plans to issue dividend warrants on oct.1, the books may be closed. Say, between august 20 and 26. Hence transfer claims received till august 19, the day before the books are closed will taken cognizance of for purposes of dividend payment on october1.

c. On the stock market, the shares becomes ex-dividend (or ex-bonus or ex-rights as the case may be) a few days before the books are closed. In such a case, the share certificate along with the transfer deed will be delivered to you after the books reopen.

d. If you buy the share you are entitled to dividend (or bonus shares or rights) for which the books are about to be closed. In such a case, the stock exchange along with the transfer deed will be delivered to you after the book reopen.

e. If you buy the share ‘cd’ you are entitled to dividend (or bonus shares or rights) for which the books are about to be closed. In such a case you would receive the share certificate along with the transfer deed in time so that you can lodge them for transfer before the books are closed.

Incase you do not receive them in time or do not lodge them for transfer before the book closure, the company will send the dividend warrant (or bonus or rights) to the previous holder and not to you. However through your broker you are entitled to recover the dividend (or bonus shares or rights as the case may be) from the previous holder. Remember that the
buyer is legally entitled to the benefits which accrue to the shareholder with effect from the date of purchase as shown in the contract note.

f. You can obtain information about the book closure dates from your broker or from the stock exchange.

**Investor protection of stock exchange**

NSE has been designed to give the investors spread across the contrary the same access and opportunity to trade as their counterparts in the main metros. Their translates in to a single dynamic market across the country with greatly enhanced liquidity and safety, as investors located in remote corners of the country will be able to transact with other investors placed at Bombay with the same ease and efficiency as to investors in Bombay.

The NSE does not operate through a trading floor it is fully automated. In NSE all the investors are bought under a common electronic umbrella i.e. through their respective screens located at their own office and connected to the NSE main computers through satellite dish antennae.

By trading through NSE investor does not have to be concerned about whether the broker is giving a good price or not. The exchange has designed a system which ensures that not only does the investor get the right price but the broker passes on the benefits fully. The broker can in no way tamper with the price of the trade. This is because the process of matching buy and sell orders is automated and done by an objective entity like the computer.

The exchange has an investor grievance mechanism through which any investors queries pertaining to the exchange can be resolved.

An investor should ensure to

1. Obtain the unique order number when he places an order.
2. Ask for the order and trade confirmation slips.
3. Obtain the contract note within 24 hours of the trade.
4. Check that the price and the brokerage are shown separately in the contract notes

5. Follow up with the broker to ensure that the funds or securities are delivered to him within 48 hours of the pay out.

6. If investor receives securities that are apparent ‘bad delivery’ it is the members responsibility to ensure that they are replaced by good delivery within 48 hours.

7. Incase any deliveries received by investor are returned as objections by the company he should ensure that the broker replaces it within the schedule specified by the exchange failing which it will be auctioned by the exchange.

8. An investor should deliver all the sale documents immediately after the settlement closes to his broker before delivery. An investor should also check that the securities are good for delivery.

9. He should give clear instructions to the trading members of the NSEs while placing orders.

 Guidelines to investors

1. Deal with a registered member of the stock exchange. If you are dealing with a subbroker make sure that all bills and contracts are made in the name of a registered broker.

2. Insist that all your deals are done in the trading ring.

3. Give specific orders to buy or sell with in the fixed price limits and / or time period with in which orders have to be executed.

4. Insist on contract notes to be passed on to you on the dates when the orders are executed.

5. Make sure that your deal is registered with the stock exchange in a souda block book. In case of a dispute this will help trace the details of the deal easily.
6. Collect a settlement table from the stock exchange mentioning the pay-in and pay-out days. Each stock exchange has its own trading periods which are called settlements. All transactions done with in this period are settled at the end of it. All payments for shares bought and their deliveries take place on the pay-in-day. An awareness of pay-in and pay-out days is useful when a broker tries to make excuses.

7. Keep separate records of dealings in specified shares (group A) and non – specified shares (group B) the settlement for each is on different days.

8. Execute periodic settlements of dues and delivery of shares to avoid accumulation of transactions.

9. Insist on delivery, if the company returns your papers and shares with objections. Contact your broker immediately.

10. Ensure that shares bought are transferred in your name before the company’s book closure date. This is necessary to make sure that you receive benefits like dividend, interest and bonus shares. All companies have a book closure date on which the list of share holders in the company is finalized.

11. Complain if the broker does not deliver the shares bought in your name proceed to contract another broker with the bill/contract given to you by the earlier broker and the exchange authorities and the latter will purchase the shares on your behalf. In such an event, the first broker will have to pay the difference in price.

12. Do not sell shares that are not transferred in your name after the book closure as these are not valid in the market.

13. Do not sell or deal in shares where any one of the deal holders has passed away. In case where the holder has died, a succession certificate is necessary. In case where one of the joint share holders passes away, the surviving holder should send the shares along with the death certificate to the company. Only after the name of the deceased has been detected from
the shares can they be transferred. Do not expect the money for shares to come immediately. It will take atleast a fort night or a month from the date of transaction.

14. Unless you have a special arrangement with the broker, do not expect the adjustment of purchases and sales against one another. One pays first and receive later.

15. Do not take delays or harassment lying down. You have to complaint with investor grievance cell of the stock exchange or SEBI in case of delay or harassment.

**Investor card (investor registration)**

Counters should deal only with investors having investotec cards. The INVESTOTC card may be obtained either at a firm of applying for shares of a public issue on the etc exchange or during the investors first purchase of shares on the OTC exchange. Applications for OTC share issues will be given an INVESTOTC card irrespective of whether the shares applied for have been allotted to them or not. Registration is required only once and the investotec card number is permanent. Once registered investors must quote the investoc number in all future OTC public issues and all transactions on the OTC exchange. All joint holders of shares must also have an INVESTOTC card to enable trading of these shares on the OTC Exchange. The application for registration should be made available to investors by all counters to enable them to obtain the investotec card.

**Investor services to be offered by counter**

- Splitting of lots in to convenient sizes.
- Consolidation of lots in to convenient sizes.
- Transfer/ nomination /transmission of securities
- Transposition / change/ deletion of holders of shares
- Exchange of PCR for share certificate or exchange of share certificate for PCR.
As said above the investor service may be carried out by giving to the counter the PCRs with duly signed and attested transfer deeds. If applicable and additional supporting documentation where required, incase of the PCR or share certificate, it would have be submitted to the counter.

Other than investing money in physical assets it is more advisable to the investors to invest in stock market securities because it can give assured return even in inflation. Bank deposits, post office savings, PPF etc will only given less interest rates to their investment. As the scenario is changing and the household requirements of the individuals are differing they are in need of more money which can be earned through stock market instruments.

The stock market securities are traded only after their ratings. Hence it provides an assured return to the investors by eradicating the expected risk. Bank was provided only 10% for fixed deposits but even a debenture investment may give more than 10% as their interest. Though company deposits are also riskless they are rated it priorly to get aware the investors. So traditional types of investments are act of taste on today’s investors.

A new investor may start with new issues of good companies after a study of the prospectus and then follow up with stock market investments in debentures and equities in that order which requires analytical abilities in the form of fundamental and technical analysis of scrips and the market.

National common minimum programme (NCMP). Highlights of recent initiatives taken by the ministry in this regard are:

- Investor complaints to be acknowledged within 48 hours & to be attended to on highest priority. Progress to be monitored closely;

- Investor protection cells opened and made functional not only at the level of the ministry but also at regional directors and registrars of companies levels and nodal officers appointed and their names and addresses with contact numbers placed on website of the ministry and also published in all leading newspapers;
• Online investors grievances redressal system introduced and made functional;

• Field officers directed to encourage non government organisations (NGOS) at the local level to take up investor protection programmes;

• Effective action is being taken against vanishing companies by seeking cooperation from the state governments. Prosecutions have been filed under the companies Act, against 107 companies and their promoter/directors for misstatement in prospectus/fraudulently inducing persons to invest money/false statement made in offer documents etc. firs have been filed against 100 companies under the IPC. Particulars of these vanishing companies along with the names and addresses of their promoters/directors have been published in various newspapers to facilitate investors to comes forward and lodge their complaints against these companies in order to help the police authorities in their investigation and prosecution launched against them.

A comprehensive review of the existing companies Act has been taken-up with a view to bring the law in tune with changing business models and national and global economic scenario.

**Investor education and protection fund**

In pursuance of sub-section (1) of sec 205c of the companies act, 1956, the central Government/ministry of company affairs established the investor education an protection fund (IEPF) with effect from, 1st October, 2001 for promotion of investor awareness and protection of interests of investors.

Under IEPF, various programmes on investor education and awareness have been funded and organized through NGOS/societies/associations/institutions etc, fourteen new NGOS/VOS institutions have been registered under IEPF till date during the current financial year.

The ministry aware investors by launching campaigns through electronic and print media. Two series of investors education publicity campaign have
already been completed. Which aimed at educating investors on investing in market instruments, initial public offers (IPOs) and mutual funds. A media campaign was launched in various national as well as regional language newspapers wherein besides the above said educative message, NGOs/VOs involved in investor education and protection activities, especially those with a rural outreach, had been invited to apply for financial assistance/grants under IEPF schemes. Further the organizations which are keen to carry out the research on the subjects of investor protection /education related issues had also been invited to submit their proposal to the IEPF. Investor education message was aired on All India Radio through Prasar Bharti to create awareness on the issues concerning investors and about the IEPF.

The website namely www.watchoutinvestors.com has been created to help the investors to protect themselves from unscrupulous promoters, companies and entities. The website is a national registry of economic defaulters and covers information on convictions by various regulatory authorities. There were 2,72,212 hits, 14899 registrations 54461 defaulters entities and 21717 defaulter individuals till the month of October 2005 during the current financial year.

Financial assistance has been provided to Midas Touch investors association for creating an “Investor helpline” for a period of three years under investor education and protection fund (IEPF). Midas touch shall construct a website for investor awareness, education and also provides a mechanism for redressal of grievances. During current financial year, an amount of Rs. 29,84,000/- has been released to Midas Touch investor association for the aforesaid purpose.

Financial assistance has also been provided to investor grievance forum for conducting investors’ melas under investor education and protection fund (IEPF). During the current financial year, an amount of Rs. 11,37,400/- has been released to investor grievance forum for the aforesaid purpose.

Under the capacity-building programme, the “training of trainers” programmes through IIFM have been conducted for new organizations, especially
those active at the Taluk level, even if such organizations had not been registered with the IEPF.

**Investor protection measures of intermediaries**

- **Simplification of share transfer and allotment procedure**
  SEBI appointed a committee under the chairmanship of Shri R Chandrasekaran, Managing Director of the Stock Holding Corporation of India Limited, to suggest a procedure for expediting and simplifying share transfer and allotment. The committee has submitted its draft report which has been circulated to various market intermediaries for their comments. Based on the feedback received, the report will be finalised and necessary action will be taken to implement the recommendations. It is expected that implementation of the recommendations of this committee would considerably ease the difficulties faced by investors on account of inordinate delays in share transfers and bad deliveries.

- **Unique order code number**
  All stock exchanges have been required to ensure that a system is put in place whereby each transaction is assigned a unique order code number which is intimated by the broker to his client. Once the order is executed, this number is to be printed on the contract note.

- **Time stamping of contracts**
  Stock brokers have been required to maintain a record of time when the client has placed the order and reflect the same in the contract note along with the time of the execution of the order. This will ensure that the broker gives due preference in execution of client's order and charges the correct price to his client without taking advantage of any intra-day price fluctuation for himself.

- **Role of sub-brokers**
  Historically, the brokers have been operating through a network of sub-brokers who form an important link between the brokers and the investors. While the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 provide
for compulsory registration of sub-brokers, only 1,798 sub-brokers have registered with SEBI. In an attempt to safeguard the interest of investors and bring sub-brokers under the regulatory framework of SEBI and the stock exchanges, the following measures have been initiated:

Efforts have been made to revive the institution of remisier under the rules and bye-laws of the stock exchanges. A remisier is an agent of a broker and is registered with the stock exchange. However he is not authorised to issue a contract/confirmation note to his investor; instead the contract is issued by the broker and as such the broker takes full responsibility in respect of that deal. This way the interest of the investor vis-vis the remisier or broker is protected.

Transfer deeds bearing rubber stamps on the reverse other than those of clearing members of the stock exchanges/clearing house/clearing corporations, SEBI registered sub-brokers and remisiers registered with the stock exchanges would become bad delivery in the stock exchanges for all transfer deeds dated June 1, 1997 and thereafter.

A stock broker may not deal with a person who is acting as a sub-broker unless he is registered with SEBI. It shall be the responsibility of the broker to ensure that his client are not acting in the capacity of a sub-broker unless he is registered with SEBI as sub-broker or is recognised by the stock exchange as a remisier.

- **Investor protection fund**

  The amount of compensation available against a single claim of an investor arising out of default by a member broker of a stock exchange has already been increased to Rs.1 lakh in case of major stock exchanges, to Rs.25,000 in case of smaller stock exchanges viz. Gauhati, Bhubaneshwar, Magadh and Madhya Pradesh and to Rs. 50,000 in case of the other stock exchanges rates that, without certain fundamental amendments being made to the regulations, they are unlikely to achieve their intended goal. In conclusion, the research makes a cogent argument for those amendments to be done to make the regulations effective
Trading Mechanisms of Stock Exchange

Risk management system

SEBI has taken several measures to improve the integrity of the secondary market. A mark to market margin and intraday trading limit have also been imposed. The stock exchanges have put in place circuit breakers, which are applied in times of excessive volatility. The disclosure of short sales and long purchases is now required at the end of the day to reduce rice volatility and further enhance the integrity of the secondary market.

Mark to market margin and intraday limit

The current clearing and settlement system, if an Indian investor buys and subsequently sells the same number of shares of stock during a settlement period, or sells and subsequently buys, it is not necessary to take or deliver the shares. The differences of the prices can be paid or received, the squaring off of the trading position during the same settlement period results in non delivery of shares traded. A short-term and speculative investment is relatively low cost. During such circumstances the delivery is given to the individual investors and not others. The non delivery to institutional investors caused an increasing number of non delivery transactions in the stock market which becomes excessively speculative. The intraday trading limits to a broker intraday trading volume. Every broker is subjective to its restriction to not welcome more speculation in the stock market. The safety measures have to be concentrated to ensure market safety. The BSE and NSE its members a stringent daily margin on its trading business.

There is a threshold limit of RS. 25 percent of the base minimum capital plus additional capital kept with the stock exchange or Rs 1 million, whoever is lower. Until the notional loss exceeds the threshold limit, the margin Is not payable. This margin is payable by a stockbroker to the stock exchange in cash or a bank guarantee from a commercial bank on a net basis. It will be released on the pay-in-day for the settlement period. The margin money is held by the exchange for 6-12 days. The broker is about .4-1.2 percent of the notional loss assuming the brokers funding cost is about 24-36 percent. Thus, speculative trading without the
delivery of shares is no longer cost free. Each broker trading volume during a day is not allowed to exceed the intraday trading limit. This limit is 33.3 times the base minimum capital deposited with the exchange on a gross basis i.e., purchase plus sale. Incase if the limit is wanted to exceed then the deposit additional capital with the exchange and this cannot be withdrawn for 6 months.

**Circuit breaker**

The other price limit imposed by SEBI to protect stock market speculation is the circuit breaker. SEBI imposed price limits for stocks whose market prices are above Rs. 10 up Rs. 20, a daily price change limit and seeks price change limit of 25 percent. The circuit system maintains orders of trading of shares on the stock exchange.

BSE’s computerized trading system rejects buy or sell orders of a stock at prices outside the price limits. The daily price limit of a stock is measures from the stock’s closing price in the previous trading session. The price limit is based on its closing price of the last trading in the previous week is previous Friday.

**Short sales ad long purchases**

SEBI regulates short selling in the stock market by requiring all stock exchanges to enforce reporting by members of their net short sale and long purchase positions in each stock at the end of each trading day.

**Stock lending**

Another benefit to investors at the trading is stock lending during necessities of cash. Stock lending can take place through an intermediary registered for this purpose with SEBI and which has a minimum capital of Rs. 500 million. Lenders and borrowers of securities have to enter in to an agreement with the intermediary. Stock lending facilitates the timely settlement of transactions on the stock exchanges, especially in an environment where physical delivery of certificates is required for settlement.
Clearing, settlement, and depositories

Account settlement period of stock exchanges that earlier had a 14 day trading cycle has been shortened to seven days. Both BSE and NSE process net obligations over a five day account period and complete the settlement on the 15th day from the commencement of trading for an account period. Other stock exchanges are also moving into this cycle. In the case of NSE, the notional securities clearing corporation ltd., its wholly owned subsidiary, provides a settlement guarantee. In the case of BSE, the clearing house is operated by Bank of India shareholding ltd., which is jointly owned by BSE and the Bank of India.

In India, certificates of securities are registered with the issuer. For government securities, the record of ownership is kept by RBI, which maintains a subsidiary general ledger in its public debt office. Transfer of ownership takes place through book entry transfer in this ledger. In the case of corporate securities, the issuer maintains a register of members or holders of securities and the issuers or their register or transfer agents have to physically receive the securities from a transferee accompanied by a transfer deed signed by the transferor before a transfer is effected. There are no bearer securities in India. The majority of the settlement of transactions in the securities market continues to be based on physical movement of certificates. This results in delays, bottlenecks and an increase in transaction costs besides creating various risks for market participants which as bad delivery, fraud and theft. Because the clearing and settlement infrastructure in the stock exchanges cannot keep up with the flow of paper, especially as trading expands to different parts of the country, the exchanges have been unable to short term settlement cycles or move to rolling settlement, which are essential to reduce settlement risk.

The depositories act of 1996 allows for dematerialization of securities in depositories and the transfer of securities through electronic book entry. As the depository network expands and the proportion of dematerialized securities in depositories increases, the benefits are expected to extend to the vast majority of market participants. The national securities depository, ltd. has been granted a
certificate of commencement of business by SEBI. During may 1998, there were 52 depository participants, which include brokers, banks and custodians an increase from less participants on earlier years. Thus it is expected that dematerialisation of trade will proceed quickly till its completion.

**Debt market**

The debt market is a much developed market than before in India. The investors who looks into more speculative return with risk invests at derivative segment. The concentration and volatility in the debt market brings huge return to the body corporate making huge investment at any time period. There are no money is a term not derived at from these parties of trade strengthens the whole sector of trading at certain time.

The development of secondary market is tremendous growth with the incoming of innovative instruments and the involvement of most wealthy corporations, firms and institutions investors in India. In other than this there are much more securities on the equity and mutual funds schemes with the introduction of any kind of peoples and house hold sectors can participate and dominate the market at continuous.

The investors excluded at new issues are never mind of due to the vast area of investment by other intermediaries. Private placement of issue also renders way to subjective investment of required parties even at late by the stock market. The willing investors does not complaint to the SEBI about their non-sanctioning of shares or investment area to them because of inadequate scrips in the market. By receiving charges the benefit of investment is available to them.

**Debenture**

Debenture is also a type of Instruments like shares issued to specific groups. The information about its issue is given to the directors, employees, contractors of the company. They are the regular users of this instrument. Debentures are creditorship securities issued by the companies during non liquidity of fixed assets of it. The debentures are high networth assets issued to parties of the
company. The debentures are many types depending upon the decision of the companies it can be converted into other shares or redeemable. The debenture holder has to pay time for its maturity and repayment. So the company is paying regular interest to the debenture holder. The debentures are issued to the debenture holder based on the agreement between the creditors and the company called trust deed of the company. The debenture holder can become a bond holder during the period of conversion and redemption of debentures.

The debentures are interest bearing instruments received during intervals or publication of information. The public is very confident at debenture because it is not risky. The face value of the debenture appreciates at regular for another investment due to its safety of return. The non return and non given of debenture interest to shareholders are a punishable offence. The books of record of companies must properly disclose the returns and disposal of denture interest and payment. The SEBI prescribed rules and regulations are applicable to debenture issuers and holders. The permission for the issue of registrar of company is specific to issue instruments and while issue the changes adopted in the nature of the instrument must be specified clearly. The creditors having strong motive of investment for long duration invests at this security. The company sends the related information through websites and brochures to inform its creditors for their satisfaction and happiness. They are invited during meeting to reveal their experience of specific and all investments to make implementations. The recouping money from the debentures are used to meet long term requirements like purchasing of machinery, plant, premises etc. the sudden requirement of the manager of the company brings to the awareness of the company and with permission they issues debentures to their known customers. The life period of the instrument is more and its appreciation is expected due to it. The customers become regular viewers and take part into decisions of the company at all level. They decides about the modernization and improvisation of the operations of the marketing and distribution. They also learn the various channels of distribution and area of operation pertinent for earning more profit and outcome. The interest payment period of instrument are very near between that the financial capacity of
the firm must be beyond the limit to meet all expenses and application of new ventures. The provisions of SEBI must accept the issue of the shares, bonds and its conversion, redemption of the debentures if its face value is not profitable to the company rate at public market. Soon return expecting shareholders in new forms of bond or such shareholders allows in to the company later the rights and bonus are discussed and decided to provide are the routine activity of the company. Everything discussed are permitted in the statutory requirements of stock exchange.

Debenture holders can register the complaints during the non-payment of interest and non-conversion of debentures to their company. The debenture holder are familiar to the company but during when there are no provisions to applications of doing the holders cannot expects more benefit of the investment. The ministry of company affairs collects the complaint and makes available requiring provisions of the instrument and resolve the complaints. All customers can not be satisfied with the rules and regulations and many of them receive rights on the issue of debentures after another time. Any issue of non-payment of debenture interest in the company the debenture holder can complaint in the prescribed format. The debenture holders are suggested to get redressal and penalty to such default of the company.

Non-conversion of debenture are due to the long term investment of the securities by the company. During changes in laws there can be relaxations to the shareholders for its conversion and redemption. The investor protection is being given to all kind of investors not only to buy and sell securities but also to its conversion, and redemption without bringing loss to the investment. The problems like misstatement of information have not affects this nature of investment.

The amount of debenture should not exceed 20% of the total current assets. Its interest is decided by the company. Credit rating is compulsory to all debenture of public, private companies which are non-convertible to financial institutions and banks. After 7 years debentures are permitted to be redeemed at 5% premium. Debentures issued to public must be secured and registered. Debenture redemption reserve is set up out of profits of the company. Debenture trust deed are finalized.
with in 6 months of the public offer. Partly convertible debentures, non convertible
debentures, fully convertible debentures of more than 18 months are compulsorily
credit rated. After that it can be sometimes equity. The issue size are
predetermined and its interest is fixed by the issuer. Conversion after 36 months is
optional to debenture holders.

Appointment of debenture trustees and debenture redemption reserve are
not necessary if it is less than 18 months. The trust deed is executed with 6 months
of its closure. The offer document must specify future equity, long term debt equity
ration servicing of existing debentures, its interest on existing loan and debentures.

Incase of non convertible portion of debentures about the redemption after
6 months, its new credit rating to be obtained must be communicated to the
debenture holders. The company must get positive consent of debenture holders
long its terms and conditions. Debenture redemption reserve are created in equal
installments for such period. While bonus issue debenture redemption reserve will
be treated as general reserve. For new companies debenture distribution is
purposeful for distributing dividend. For existing companies prior permission of
the lead institution is necessary for declaring dividend if the company is not have
debt service coverage ratio.

**Protection of interest of debenture holders**

Sec 117A to C protects the debenture holders by giving stringent
punishments to default. Sec 15A to Sec. 15HA provides penalty to non- furnishing
of information, return etc.,

Debenture trustee protects the debenture holders with a right by appointing
a nominee director on the board of the company consulting debenture holders. The
progress of debentures are monitored for project finance, modernization,
diversification etc. while mortgaging the company gets necessary permissions from
the financial institution if it has encumbrances for no objection certificate. If the
security is not created for after 18 months the debenture holders are called for
reasons. The trustees on behalf of debenture holders create security for debenture
and debenture redemption reserve. The trustee and debenture holder must get an auditors report for using funds of debenture during investment.

The essentials for protecting investors are:

**Share certificates**

Company rules 1960 briefs about the issue of share certificates. It is according to the articles of association of companies act 1960 defines board as the board of directors of a company or a committee consisting not less than 3 directors whose total number exceeds 6 and not less than 2 directors where the total does not exceed 6. The composition of board of directors must be a half of the number of members of the committee consisting of directors of managing or whole time directors issued under a common seal of a company.

**Issue of share certificates**

A company must issue share certificate by passing a special resolution in the board or by surrendering letter of allotment in the value, or by giving letter of acceptances or enunciation incase of bonus shares, if letter of allotment is lost or destroyed the board may investigate to make evidences it feels fit with the expenses of the company.

No certificate is issued in exchange in replacements of defaced, torn or old decrepit, worn out, along with the one issued earlier contains information in its reverse is not surrendered to the company. The company charges Rs.2 per certificate for replacing.

No duplicate certificate for lost certificate is issued without paying reasonable terms incurred by the company as expenses.

Listed companies under sec.25 of the companies act, 1956 may issue a jumbo share certificate in favour of custodian and issue receipts to every allottee of their holding. Custodian means an entity who carries out the other activities of clients to effect the delivery of securities.
Form of certificate

Every certificate to whom is issued must contain its amount. Any certificate is issued in addition there to on the face of it must contain the certificate number and its replacement. Likewise duplicate certificate is issued then it must contain that it is a duplicate share certificate.

Sealing and signing of certificate

Every certificate issued under the seal of the company must be in the presence of 2 directors or persons on whose behalf the directors are registered power of attorney.

The secretary or board appointed for purpose must sign the certificate.

A director may sign the certificate by using any machine or rubber stamp under his custody.

Records of certificate issued

Details of certificate issued must be entered in the register of members maintained in the form or on form bear thereto admit with the date of the issue.

Registered of renewed and duplicate certificate must contain the name and to whom it is issued with number and date of issue of share certificate addition necessary to required changes in the register of members with suitable remark column.

All centres of the duplicate certificate shall be authenticated by the secretary with seal and sign under provisions of rule 6.

Printing of forms.-

All blank forms to be used for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such form shall be kept in the custody of the secretary or such other person as the Board may
appoint for the purpose and the secretary or other person aforesaid shall be responsible for rendering an account of these forms to the Board.

**Custody of books and documents.**

The following persons shall be responsible for the maintenance, preservation and safe-custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in rule 8, namely:

A managing director, Where the company has no managing director, every director of the company.

(2) All books referred to in sub-rule (1) shall be preserved in good order permanently and all certificates surrendered to a company shall immediately be defaced by the word "cancelled" being stamped or punched in bold letters and may be destroyed after the expiry of three years from the date on which they are surrendered, under the authority of a resolution of the Board and in the presence of a person duly appointed by the Board in this behalf.

The share certificates signed by the investor are an important evidence of trade. When the signature of the investor tallies during investigation the shares are transfer to the person or to the person recommended by the shareholder. In the absence of share certificate by non giving the details of the purchase of the investor it is taken as criminal activity and punished with fine and imprisonment by the company law board. The absence of transferring share certificate of the shareholder must be compensated with the duplicate share certificate to the investor. The decision of issuing duplicate share certificate are taken at the group of the company law board.

**Financial statements**

Failure of sending financial statement of copies of audited balance sheet, profit and loss account are prohibited. The investor who want to receive information of the company get disappointed of the financial position of the company, which cannot taken place in the long trading process. Because this could
create the mood of non investment in the mind of the investor. The necessary
supply of it must be conducted and recorded for the welfare and growth of the
company.

**Prospectus**

If a prospectus include any untrue statement every person who authorized
the issue of prospectus shall be punishable with imprisonment for a term which
may extend to 2 years, or with fine which may extend to 5 thousand rupees or with
both, unless he proves either that the statement was immaterial or that he had
reasonable ground to believe and did u to the time of the issue of the prospectus
believe that the statement was true.

The provision in this section is forwarded on the tort of deceit. Unlike sec.
62, sec 63, renders liable for the punishment “every person who authorized the
issue of the prospectus”. The person stated there in namely (a) a person who has
only given his consent required by sec. 58 to the inclusion in the prospectus a
statement. Purporting to be made by him as an expert.

b) a person who has only given his consent required by ssec. 60(3).

These person does not deemed to give their acceptance to the issue of
prospectus has only given their consent stated as above.

Who can make a complaint u/s63.

Sec 63 states that the misstatement of prospectus is a criminal liability
provides imprisonment up to 2 years and fine which may extend to Rs. 50000 or
with both. Sec 58 deals with the penalty for fraudulently inducing persons to invest
money in security of a company ad also provides for imprisonment up to 5 years or
fine up to Rs. 1 lakh

According to sec. 621 of the companies act, no court is to take cognisance
of any offence against this act which is alleged to have been committed by any
company or any officer thereof except on the complaint in writing of the registrar,
or a shareholder of a company or of a person authorized by the central government
in that behalf.
The word officer includes directors u/s 621 (10) officer of SEBI, have been authorized to make a complaint in respect of offences punishable u/s63.

Sec 56 of the companies act deals with matters to be stated and reports to be set out in prospectus.

Liability for contravention sec.56.

The omission in a prospective of any of the particulars required by this sec. will not per se entitle a share holder to rescission under the general law. If as prospectus contains mis statements the director of the company would be liable to pay compensation u/s62 to all persons who subscribe for shares on the faith of the prospectus for the loss may sustain by reason of any mis-statement contained therein, and the fact that the prospectus did not comply with the requirements of sec. 56 would exempt the directors from the liability imposed by sec. 62.

Controller of capital issues safety measures for the benefit and protection of investors.

1. **Minimum subscription**

The company can subscribe its shares directly through public subscription and the rest can be subscribed by underwriters. The underwriter make their payment within 128 days with interest @ Rs. 15% per annum for delayed period beyond 78 days from the closure of the issue as per sec.73 of the companies act, 1956.

2. **Disclosure in the prospectus**

It is necessary to disclose about the shares in the prospectus. Timely disclosure about information are adequate so that the investors can avail of the securities at right time. A corporation can help the investors from unnecessary rumours about price fluctuations and unusual market activities. The immediate release policy could reasonably have an impact on the market for a companies securities should help to protect the investors interest.
In India disclosure requirements are governed by companies act, SCRA and SEBI. The main disclosure is through offer documents in form of prospectus or letter of offer in right issues.

**Prospectus should disclose the following**

a. Risk factor as perceived by the management

b. Profitability projections for 3 years with assumptions should be incorporated in the prospectus.

c. Incase of issue of partly convertible debentures or non-convertible debentures any arrangements made for buy back of non-convertible portion should he disclosed in letter of offer or prospectus itself.

d. Any adverse comments of the auditors should be separately highlighted.

e. Certification from lead managers and practicing company secretaries regarding all compliances and fulfillment of formalities by company (due diligence certificate)

f. Prospectus should be approved by regional stock exchange, SEBI and ROC.

g. Listing application should be made in advance to the concerned stock exchange and this fact should be disclosed in the prospectus.

h. All allotment and refunds are now to be dispatched compulsorily by registered post. This should be prominently disclosed in the prospectus.

i. All debenture issues should be rated by approved credit rating agencies such as CRISIL, ICRA or CARE where maturity period is more than 8 months.

j. The issues should be fully underwritten and names of underwriters should be disclosed wit addresses, justification of premium.

k. Disclosure that incase of over subscription a SEBI nominated public representative shall be associated in the process of finalizing the basis of allotment.
1. Details about promoters shares and lock-in

m. Company’s track record in handling investors grievance.

**Depository system**

The depository is defined as a central location for keeping securities on deposit. It is a facility for holding securities either in certificated or uncertificated form to enable book entry transfer of securities. A depository is a nominee who keeps the scrips on behalf of the investors. He undertakes the role of the custodian. The depository leads the immobilization and dematerialization system of shares. The electronic mode of maintaining shares is called dematerialization system during transfer of shares it has made from the computerized book entry place of easy transfer. Depository system reduces the risk of settlement of securities. It is efficient and liquid. The transaction cost is less in the depository system it is an extended infrastructure facility with standard. The dividend are distributed electronically and shares are redeemed during maturity. This reduces the physical transfer of shares and also promotes the physical delivery of shares. The SEBI has promotes public awareness programme for promoting this system and made compulsory banks and institutional investors to trade with dematerialized system.

**Transfer and transmission of shares**

Share transfer from person to their legal heirs are made available in the laws of the company. The company while issuing shares registers the owner of the shares and their legal heirs in the register. The minor child shares are bought on the purpose of their elders because during prosperity in the share market the realization of share is done with concise and knowledge. This is also a protection on the securities given in its law and procedure. The client must inform the requirement to their broker for such transferring or its related services. Otherwise during deceased partner or partners the person given his nominee can be transferred or sold by stating to the broker office. The transfer of shares is like as usual transfer made available during the sale order from the registered owner of shares. It is the transfer of shares to required parties.
Share Transmitting means fixing property to other owner representing legal owners of shares. The selling and buying of shares are in the right of the transferred person.

The listed company must promptly issue certificates of transfer. Failure to do so can be filed at the company law board for appeal. Under sec 111A after hearing the parties the company law board may direct the company to register the transfer.

**Buy back of shares**

Buy back of share helps the liquidity of dormant shares. Companies required flexibility to reorganize capital structure. Buy back is for takeover bids, companies are protected by giving sustained appreciation of share value in the long run. The discontented shareholders are eliminated by any manner.

The government has recently promulgated Buy back of shares amending companies act, 1956 to permit buy back of shares by promoters of companies accordingly, a company can buy back its own shares and other securities to the extent of 25% of the paid up capital and free reserves. The buyback can be transacted out of company’s free reserve, securities premium account or proceeds of any earlier issues specially made for buy back purposes.

Buyback is a method of cancellation of share capital. It leads to reduction in the share capital of a company as opposed to issue of shares which results in an increase in share capital.

A company may go for buyback of its shares due to any one or more of the following reasons,

1. To reduce equity base thereby injecting much needed flexibility
2. To prevent takeover bids
3. To return surplus cash to shareholders
4. To increase the underlying share value
5. To support the share price during periods of temporary weakness
6. To maintain a target capital structure

Advantages of buyback to investors:

The buyback of shares is a viable proposition to investors to sell back the shares instead of going through the secondary market.

The buyback will improve return on capital and net profitability, increase the earning per share and provide higher price to investors

**Advantages to Companies**

1. It offers flexibility to companies to reorganise their capital structure.

2. It helps to eliminate discontented shareholders, fractional share holdings and odd lots and thereby render better service to remaining holdings and odd lots and thereby render better service to remaining shareholders by way of sustained dividend and appreciation of share value in the long run.

3. Buyback is an instrument to ward off hostile takeover bids
SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

DIRECTIONS UNDER SECTIONS 11(4)(b) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AGAINST ENKAY TEXOFOOD INDUSTRIES LIMITED AND ITS DIRECTOR

1. Enkay Texofood Industries Limited (hereinafter referred to as the Company) is a company incorporated under the Companies Act, 1956, having its registered office at Shree Sitaram Sadan (Bhatia Building), 4th Floor, 282, Shamaldas Gandhi Marg, Princes Street, Mumbai-400002. The Securities and Exchange Board of India (hereinafter referred to as SEBI) received several complaints against the Company from the investors and the same were forwarded to it for redressal. Periodical reminders were also sent to the Company for resolving such pending complaints. As on September 24, 2008, a total of three hundred and two investor grievances were pending unresolved by the Company. The investor complaints received against the Company were forwarded to the Company for resolving the same.

2. Thereafter, SEBI, vide letter dated September 25, 2008 advised the Company to resolve all the grievances within thirty days from the date of receipt of the said letter and to submit a status report. In the said letter, SEBI made a reference to Sections 15C and 24 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the SEBI Act). The said letter, which was sent to the Company by registered post, was delivered. Since the Company failed to redress the complaints or submit an action taken report, a reminder dated November 21, 2008 was sent to the Company addressing to the company secretary and also to its Managing Director, Mr. Tulsidas Goyal,
advising them to resolve all the investor grievances and to submit a status report within seven days. Since no reply was received from either the company Secretary or the Managing Director, another reminder was again sent to them by SEBI on December 19, 2008. Although all the letters sent either to the Company Secretary or the Managing Director was acknowledged, and since no reply was received, a public notice was given on January 23, 2009 in the website of SEBI (www.sebi.gov.in) advising the Company to resolve the pending investor grievances and to submit the Action Taken Report. Despite such steps, SEBI had not received any response from the Company or its directors.

3. In view of the above, a show cause notice dated November 6, 2009 was issued to the Company by SEBI under Sections 11(4)(b) and 11B of the SEBI Act requiring it to show cause as to why it should not be restrained from accessing the securities market and prohibit it from dealing in securities till such time the pending investor grievances against the Company are resolved. Similar notice dated November 10, 2009 was also sent to its director, Mr. Harinarayan Sharma. Thereafter, the Company, vide letter dated February 20, 2010, submitted that it was registered with the Board for Industrial and Financial Reconstruction/Appellate Authority for Industrial and Financial Reconstruction [BIFR/AAIFR] and that since 2000, the manufacturing operations in all the units of the Company has been suspended as its capital had been eroded. It further submitted that the Company’s earlier registrar has retained the physical as well as computerized records of the shareholders as the Company was unable to pay the dues for its services. The notice issued to Mr. Harinarayan Sharma (director of the Company) had returned with a remark “not known.....”. Subsequently, an opportunity of hearing was afforded to the Company and its aforesaid director on August 5, 2010. Thereafter, the Company vide letter dated June 14, 2010, reiterated its submissions made vide
letter dated February 20, 2010. As the notices could not be delivered on Mr. Harinarayan Sharma, copies of the show cause notice and the notice for hearing were pasted on the premises of the last known address of the said director. On the date of the hearing, Ms. Savita Singla (practicing Company Secretary) appeared on behalf of the Company and made submissions. During the course of hearing, the Company was advised to redress the investor grievances and submit an action taken report within a period of one month. Thereafter, pursuant to a request from the Company, SEBI vide letter dated September 14, 2010 forwarded copies of the 259 complaints (out of 309 complaints pending as on the date of the said letter). With respect to the remaining 50 complaints, the Company was informed of the names of the complainants and their addresses and was advised to contact them for redressing their complaints. The said SEBI letter also informed the Company that the time to redress the complaints and to submit an action taken report has been extended to October 18, 2010. Thereafter, the Company, vide letter dated October 13, 2010 submitted that out of the 259 complaints, it had resolved 38 complaints and enclosed the details of the action taken. The Company also submitted that it had informed 50 complainants to forward their complaints to its registered office for redressal and submitted that it was in the process of redressing the remaining complaints. In this regard, it is noted that although the Company has mentioned in its letters that it has resolved 38 complaints pertaining to dividends, it had actually redressed only 23 complaints from the original list of complaints. Subsequently, the Company, vide letter dated October 25, 2010, submitted that out of the 259 complaints, it had sent letters to 246 shareholders asking for the details of their shareholding along with copy of their share certificates for transfer of shares. The Company also submitted that it was still tracing the addresses of the other complainants/shareholders so as to resolve their grievances. The Company, thereafter, vide letter dated December 2, 2010 submitted that it has decided to issue duplicate share
certificates instead of the originals and for the purpose, has forwarded the indemnity bond and affidavit to the respective shareholders. It further undertook that after receipt of the said documents, it would issue fresh duplicate share certificates in physical form. The Company further submitted that it has satisfactorily resolved 38 complaints with respect to “dividends”. The Company, vide its letter dated December 6, 2010, had also enclosed copies of the communication it had with a few of the complainants. Thereafter, vide letter dated December 11, 2010, the Company informed SEBI that it had issued duplicate share certificates to those shareholders who had submitted indemnity bonds and affidavits. However, it failed to submit any proof of redressing such complaints as required under SEBI Circular OIAE/Cir-1/2009 dated November 25, 2009 and the erstwhile Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (since rescinded). Thereafter, SEBI vide letter dated March 16, 2011 reminded the Company to submit the current status of redressal. However, in spite of receiving such advice from SEBI, the Company failed to respond or submitted any action taken report.

4. I have considered the facts of the case and the material available on record. As per SEBI letter dated September 25, 2008, there were three hundred and two investor complaints pending unresolved by the Company. As stated above, the Company had redressed only 23 complaints out of 302 complaints. Even after affording sufficient opportunities, the Company had failed to redress majority of the investor grievances. Further, it had not submitted any proof of redressal in respect of issuance of duplicate share certificates claimed to have been issued by it in redressal of the connected complaints. It is noted that even after SEBI had issued a reminder to the Company vide letter dated March 16, 2011 advising it to submit the current status of redressal, the Company has failed to respond till date. As on May 5, 2011, two hundred and ninety nine investor complaints are pending unresolved
by the Company. The said number of complaints includes all complaints received in the interim period and forwarded to the company for redressal. In respect of the submission that the Company was registered with BIFR, it is noted from the website of BIFR that the said case (Case no. 31 of 2006) has abated. The protection of the investors in the securities market is one of the paramount duties of SEBI and the present case involves a listed company that had failed to redress the investors’ grievances. Therefore, the Company and the persons who were in-charge and responsible for the affairs of the Company as on the date of issuance of the notice, are liable for the failure of the Company to redress the said investor complaints. As stated above, Mr. Harinarayan Sharma, the director of the Company has also failed to respond to the notices issued to him by SEBI in the matter. In view of the above reasons, it would not be in the interest of the investors to permit such a company and its director to access or deal in the securities market. Therefore, appropriate direction needs to be issued to the Company and its director, Mr. Harinarayan Sharma, who was in charge and responsible for the affairs of the Company, for their failure to redress the grievances of the investors.

5. I also note that, SEBI had passed an Adjudication Order dated March 31, 2010 under Section 15-I of the SEBI Act against the Company and imposed a penalty of ₹30,00,000/- (₹25,00,000/- under Section 15C of the SEBI Act and ₹5,00,000/- under Section 15A(a) of the SEBI Act) on it for non-redressal of investors’ grievances and failure to respond to SEBI. The Company has failed to pay the aforesaid penalty till date.

6. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(4)(b) and 11B thereof, hereby restrain the company, Enkay Textofood Industries Limited [Permanent Account Number AAACE0833A and having its address at Shree Sitaram Sadan (Bhatia Building), 4th Floor, 282,
Shamaldas Gandhi Marg, Princes Street, Mumbai–400002] and its director, Mr. Harinarayan Sharma (having his address at 229, Priyanka Green City, Bardoli Road, Kododara, Char Rasta, Surat, Gujarat) from accessing the securities market and prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, till all the pending investor grievances against the said company are resolved and the same is reported to and confirmed by the Securities and Exchange Board of India.

7. This Order shall come into force with immediate effect.

DR. K. M. ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

PLACE: MUMBAI
DATE: JULY 6, 2011