

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATIONS SUBMITTED BY  
NAMAN SECURITIES & FINANCE PVT. LTD.  
(PAN NO. AAACN1917G)

IN THE MATTERS OF  
PRUDENTIAL PHARMACEUTICALS LTD. AND MIRC ELECTRONICS LTD.

(CONSENT APPLICATION NOS. 1789/2010 AND 1825/2009)

1. SEBI had conducted investigation into the alleged irregularities in the trading in the shares of Prudential Pharmaceuticals Limited and Mirc Electronics Limited for separate investigation periods during the years 2001 and 2003 respectively. The investigations *prima facie* revealed that Naman Securities & Finance Pvt. Ltd. (hereinafter referred to as the 'applicant'), a member (SEBI Regn. No. INB230808238) of the National Stock Exchange Limited and (SEBI Regn. No. INB010808234) of the Bombay Stock Exchange, has violated the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 1995, SEBI (Stock Brokers & Sub-brokers) Regulations, 1992 and Securities Contract (Regulation) Rules, 1957.
2. Pursuant to the investigation, SEBI initiated two separate enquiry proceedings against the applicant under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty), Regulations, 2002 in the matters of Prudential Pharmaceuticals Limited and Mirc Electronics Limited. Separate show cause notices dated June 14, 2007 and July 1, 2004 were issued to the applicant against which the replies were received by SEBI on July 24, 2007 and July 30, 2004 respectively. The applicant was alleged to have created artificial volumes and influenced price of the scrip by executing manipulative trades and have established

higher price in the scrip by putting orders at price levels higher than the previous closing price and thus failed to act with due skill, care and diligence in the conduct of his business. It was also alleged that the applicant engaged in fund based activity by retaining shares bought by another entity, in its own beneficiary demat accounts as part of some financing arrangement.

3. While the above proceedings were in progress, the applicant vide letters dated January 15, 2010 and January 25, 2010 proposed settlement of the aforesaid proceedings through a consent order in terms of SEBI circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Revised consent terms were proposed by the applicant vide his letter dated May 14, 2010. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the cases for settlement. Accordingly, the applicant shall pay Rs. 3,00,000/- (Rupees Three Lakh only) towards settlement charges in the matter of Mirc Electronics and Rs. 30,00,000/- (Rupees Thirty Lac only) towards settlement charges in the matter of Prudential Pharmaceuticals Limited. SEBI accepted the said recommendations and communicated the same to the applicant vide letters dated July 19, 2010 and July 27, 2010.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 3,00,000/- (Rupees Three Lakh only) vide demand draft No.265340 dated July 21, 2010 and a sum of Rs. 30,00,000/- (Rupees Thirty Lac only) vide demand draft No. 265411 dated July 28, 2010, drawn on Bank of India, payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the enquiry proceedings mentioned above, pending against the applicant in the matters of Prudential Pharmaceuticals Limited and Mirc Electronics Limited.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:

- a. any representation made by the applicant in these consent proceedings is subsequently discovered to be untrue; or
- b. the applicant breaches any of the consent terms or undertakings filed in this consent proceedings.

8. This consent order is passed on this day, the 12<sup>th</sup> of August, 2010 and shall come into force with immediate effect.

DR. K. M. ABRAHAM  
WHOLE TIME MEMBER

PRASHANT SARAN  
WHOLE TIME MEMBER