

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2519
ANSWERED ON:09.12.2005
INVESTIGATION OF KETAN PAREKH
Hasan Chaudhary Munawwar;Muqueem Shri Mohammed

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether Securities and Exchange Board of India had conducted investigations in Ketan Parekh group of companies;
- (b) if so, the complete details in respect of each company, the violations and action taken against the promoters;
- (c) whether Serious Fraud Investigation Office (SFIO) has issued notices to companies in respect of investment made in Ketan Parekh Group of companies to manipulate their share values;
- (d) if so, the details thereof alongwith the names of companies; and
- (e) the action being taken thereon?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a)&(b) As per annexure A enclosed.

(c) Yes, Sir

(d) & (e) The SFIO is investigating into the affairs of 16 companies belonging to Ketan Parekh Group of companies in the backdrop of stock market scam of 2000-01(list attached at Annexure B). Several other companies, who had dealings with Ketan Parekh Group of companies have also been asked to furnish information in pursuance of Sec. 240 (1A) of the Companies Act, 1956 in connection with the above investigation. Since the investigation is in progress, at this stage it is not feasible to give the names of companies that made investments in Ketan Parekh companies with a view to manipulate share values.

ANNEXURE `A`

REPLY TO QUESTION 2519 (a and b)

1. PURSUANT TO EXCESSIVE VOLATILITY IN THE STOCK MARKETS DURING FEBRUARY-MARCH 2001 AND APPREHENSIONS OF ALLEGED MARKET MANIPULATION, SEBI HAD INITIATED INVESTIGATIONS INTO THE AFFAIRS RELATING TO BUYING, SELLING OR DEALINGS OF VARIOUS SCRIPS INCLUDING THOSE IN WHICH KETAN PAREKH GROUP WAS ACTIVE VIZ. AFTEK INFOSYS LTD, ADANI EXPORTS LTD, DSQ SOFTWARE, GLOBAL TELE-SYSTEMS LTD, GLOBAL TRUST BANK, HIMACHAL FUTURISTIC COMMUNICATIONS LTD (HFCL), LUPIN LAB LTD, SHONKH TECHNOLOGIES LTD, ZEE TELE-FILMS LTD., ETC.

2. BASED ON THE FINDINGS OF INVESTIGATIONS, SEBI HAS TAKEN MAINLY THE FOLLOWING ACTIONS AGAINST ENTITIES CONNECTED WITH KETAN PAREKH FOR VIOLATION OF SEBI (PFUTP) REGULATIONS:

a. SEBI VIDE INTERIM ORDER DATED APRIL 4 2001, DEBARRED CLASSIC SHARES AND STOCK BROKING SERVICE, TRIUMPH SECURITIES LTD., TRIUMPH INTERNATIONAL FINANCE (INDIA) LTD., NH SECURITIES LTD., THE ENTITIES CONTROLLED BY AND CONNECTED WITH MR. KETAN PAREKH, AND THEIR DIRECTORS MR. KETAN PAREKH AND MR. KARTIK PAREKH FROM UNDERTAKING ANY FRESH BUSINESS AS A STOCK BROKER OR MERCHANT BANKER.

b. VIDE INTERIM ORDER DATED APRIL 10, 2001, SEBI DEBARRED VN PAREKH SECURITIES LTD. AND KNP SECURITIES LTD. FROM UNDERTAKING ANY FRESH BUSINESS AS A STOCK BROKER.

c. SEBI VIDE ORDER DATED MAY 16, 2002, CANCELLED THE CERTIFICATE OF REGISTRATION OF TRIUMPH INTERNATIONAL FINANCE (INDIA) LTD. AS A STOCK BROKER.

d. SEBI VIDE ORDER DATED DECEMBER 12, 2003 PROHIBITED KETAN PAREKH AND THE FOLLOWING ENTITIES (TOTAL 9 ENTITIES) ASSOCIATED WITH/CONTROLLED BY HIM FROM BUYING, SELLING OR DEALING IN SECURITIES IN ANY MANNER DIRECTLY OR INDIRECTLY AND ALSO DEBARRED THEM FROM ASSOCIATING WITH THE SECURITIES MARKET, FOR A PERIOD OF FOURTEEN YEARS.

- i. SHRI KETAN V. PAREKH
- ii. KARTIK K. PAREKH
- iii. CLASSIC CREDIT LTD
- iv. PANTHER FINCAP AND MANAGEMENT SERVICES LTD.
- v. LUMINANT INVESTMENT PVT LTD.
- vi. CHITRAKUT COMPUTERS PVT. LTD.
- vii. SAIMANGAL INVESTRADE LTD.
- VIII. CLASSIC INFIN LTD
- IX. PANTHER INVESTRADE LTD.

e) SEBI VIDE ORDER DATED MARCH 8, 2004 CANCELLED THE CERTIFICATE OF REGISTRATION GRANTED TO FIVE BROKING ENTITIES ASSOCIATED WITH/CONTROLLED BY KETAN PAREKH VIZ. CLASSIC SHARES AND STOCK BROKING SERVICES (CSSB), TRIUMPH SECURITIES LTD (TSL), NH SECURITIES LTD. (NH SEC), V N PAREKH SECURITIES LTD (VNP SEC) AND KNP SECURITIES LTD (KNP SEC). THIS ORDER WAS PASSED FOR THEIR TRADING IN THE SCRIPS OF GTB, AFTEK, LUPIN, SHONKH, ETC.

f) SEBI VIDE ORDER DATED MARCH 31, 2004 CANCELLED THE CERTIFICATE OF REGISTRATION OF NH SECURITIES LTD. AND CLASSIC SHARES AND STOCK BROKING SERVICES FOR THEIR TRADING IN THE SCRIP OF AFTEK AND DSQ SOFTWARE.

g) PROSECUTIONS HAVE BEEN FILED ON MARCH 7, 2003 VIDE CASE NO 123/2003 IN THE COURT OF ADDL. CHIEF METROPOLITAN MAGISTRATE, 8TH COURT, ESPLANADE, MUMBAI AGAINST KETAN PAREKH AND OTHER ENTITIES (TOTAL 17 ENTITIES) CONNECTED/ASSOCIATED WITH HIM

- i. CLASSIC CREDIT LTD
- ii. PANTHER FINCAP & MGT. SERVICES LTD.
- iii. CHITRAKUT COMPUTERS PVT. LTD
- iv. LUMINANT INVESTMENT PRIVATE LTD
- v. NH SECURITIES LTD
- vi. CLASSIC SHARES & STOCK BROKER LTD
- vii. SAIMANGAL INVESTRADE LTD
- viii. CLASSIC INFIN LTD
- ix. PANTHER INVESTRADE LTD
- x. SHRI ARUN J SHAH
- xi. SHRI KARTIK K PAREKH
- xii. SHRI KAUSHIK C SHAH
- xiii. SHRI KETAN V PAREKH
- xiv. SHRI KIRTIKUMAR N PAREKH
- xv. SHRI MUKESH JOSHI
- xvi. SHRI NAVINCHANDRA PAREKH
- xvii. SHRI V N PAREKH

h) PROSECUTIONS HAVE BEEN FILED ON JULY 29, 2004 AGAINST TRIUMPH INTERNATIONAL FINANCE (INDIA) LTD AND THEIR FOLLOWING DIRECTORS VIDE CASE NO.233/M/2004 IN THE COURT OF LD FOR MANIPULATION IN VARIOUS SCRIPS. ADDITIONAL CHIEF METROPOLITAN MAGISTRATE'S, 47TH COURT, ESPLANADE, MUMBAI:

- i. SHRI DHARMESH HASMUKH DOSHI, MANAGING DIRECTOR
- ii. SHRI JATIN RAJNIKANT SARVAIYA, DIRECTOR
- iii. SHRI KETAN VINAYCHANDRA PAREKH, DIRECTOR
- iv. MR. KARTIK KIRTIKUMAR PAREKH, DIRECTOR
- v. MR. ABDUL RAZZAK KAPADIA, DIRECTOR
- vi. SHRI VIPUL DINESH PAREKH, DIRECTOR
- vii. SHRI DHARMEN BHASKAR SHAH, DIRECTOR

S.No Name of Companies

- 1. M/s Panther Industrial Products Ltd.
- 2, M/s Luminant Investments Pvt. Ltd.

3. M/s Goldfish Computer Pvt. Ltd.
4. M/s Panther Fincap and Management Services Ltd.
5. M/s Manmandir Estate Developer s Pvt. Ltd.
6. M/s Classic Shares & Stock Broking Services Ltd.
- 7 M/s Classic Credit Ltd.
8. M/s N.H. Securities Ltd.
9. M/s Chitrakut Computers Pvt. Ltd.
10. M/s Nakshatra Software Pvt. Ltd.
11. M/s Panther Investrade Ltd.
12. M/s Triumph International Finance India Ltd.
13. M/s K.N.P. Securities Pvt. Ltd.
- 14 M/s V.N.Parekh Securities Pvt. Ltd.
15. M/s Siamangal Investrade Ltd.
16. M/s Triumph Securities Ltd.

Annexure B

Q.No 2519 (Part-d)