

30th March, 2015**National Stock Exchange of India Limited****Listing Department,**

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai -400051

Sub-Update on Bonafide Erroneous trade executed on 5th October, 2012

Dear Sir,

We refer to our appeal in Securities Appellate Tribunal (SAT) against NSE's order dated 30th April 2013 rejecting our application for annulment of an erroneous order on the 5th of October 2012 and our earlier letter dated 2nd September 2014 addressed to the exchange in this regard.

We would also like exchange to refer to the note provided in our quarterly financials for the quarter ending december 31st,2014 which is reproduced below for ready reference-

Out of "Advances Recoverable" as on March 31, 2014 of Rs.5194.04 Lacs from National Stock Exchange of India Limited (NSE) which was paid to them on account of loss occurred due to a manifest material mistake on October 5, 2012 while executing a sale order on Cash Segment of NSE :-

(a) Rs.1894.04 Lacs has been accounted for as loss during the quarter ended September 30, 2014 under the head "Exceptional Items" in view of Securities Appellate Tribunal (SAT) Order dated August 26, 2014 which partly rejected Company's application for annulment of trades and

(b) balance of Rs.3300.00 Lacs continues to be shown as "Advances Recoverable " in view of said SAT order directing NSE for fresh consideration of Company's annulment application in case of two counter party brokers whose pay-out of Rs.3300 Lacs (approx) has been withheld. Subsequent to the said SAT Order, the Company and the said two counter party brokers have approached NSE for a mutually agreed distribution of pay-out amount which has been rejected by NSE and NSE decided to deal with the matter on merits and in accordance with and in the context of the Hon'ble SAT's directives. The loss, if any, amount of which is currently not quantifiable, shall be accounted on final disposal of the matter. The statutory auditors in their limited review report have drawn attention on the same.

In this context, we take this opportunity to appraise Exchange of the latest development on our appeal before SAT, that as per SAT order dated 26th March,2015 the hon'ble SAT has disposed off the appeal by giving Order to NSE to take on record the settlement proposed by the appellants and release the withheld payment to the parties in terms of the settlement. We enclose a copy of the said SAT Order.

A short gist of the SAT order dated 26thMarch, 2015 is as under -

"The settlement is bonafide and is not violative of any provisions of SEBI/NSE, without going into the question as to whether NSE had power to take settlement on record or not, in the peculiar facts of the present case, we, in exercise of powers conferred under rule 21 of the Securities Appellate Tribunal



(Procedure) Rules, 2000 direct NSE to take on record the settlement proposed by the appellants and release the withheld payment to the parties in terms of the settlement. NSE is directed to release the withheld payment as expeditiously as possible and in any event within a period of two weeks from today”

Pursuant to clause 36 of the listing agreement, please take the same on your records.

For Emkay Global Financial Services Limited-

Vaibhav Purohit
Company Secretary & Compliance Officer



Encl-As above



BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision: 26.03.2015

Appeal No. 134 of 2015

M/s. Emkay Global Financial Services Limited
The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar West,
Mumbai- 400 028

...Appellant

Versus

1. The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

2. Inventure Growth and Securities Limited
Viraj Towers, 201, 2nd Floor,
Near Land Mark,
Western Express Highway,
Andheri (East)
Mumbai- 400 069

3. Prakash K Shah Shares and Securities Limited
8B, Rajabhadur Motilal Mansion,
1st Floor, 11/43, Tamarind Lane,
Fort, Mumbai- 400 023

...Respondents

Mr. Darius Khambata, Senior Advocate with Mr. Pesi Modi, Senior Advocate, Mr. Somasekhar Sundaresan, Mr. Abhishek Venkatraman and Mr. Dhaval Kothari, Advocates i/b J. Sagar Associates for the Appellant.

Mr. E. P. Bharucha, Senior Advocate with Mr. Rashid Boatwalla and Ms. Aditi Kamath, Advocates i/b Manilal Kher Ambalal & Co. for Respondent No.1

Mr. Shashank V. Choudhary, Advocate for Respondent No. 2

Mr. Prakash K. Shah, Advocate for Respondent No. 3

**WITH
Appeal No. 135 of 2015**

Prakash K Shah Shares and Securities Limited
8B, Rajabhadur Motilal Mansion,
1st Floor, 11/43, Tamarind Lane,
Fort, Mumbai- 400 023

...Appellant

Versus

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

...Respondent

Mr. Zal Andhyarujina, Advocate with Mr. Ajai Achuthan, Advocate for
the Appellant.

Mr. E. P. Bharucha, Senior Advocate with Mr. Rashid Boatwalla and
Ms. Aditi Kamath, Advocates i/b Manilal Kher Ambalal & Co. for the
Respondent.

CORAM: Justice J.P. Devadhar, Presiding Officer
Jog Singh, Member

Per: Justice J.P. Devadhar (Oral)

1. In these two appeals, the appellants have challenged the order passed by the Standing Committee of NSE on Annulment on December 04, 2014. By the said order the Committee has declined to take on record the settlement proposed by the parties and declined to release payment as per the settlement proposed by the parties.

2. Dispute in the present case, relates to annulment of trades that were executed on October 05, 2012 where in both parties to the trade were found to have violated the norms laid down by SEBI/NSE. On an application filed by M/s. Emkay Global Financial Services Limited

('Emkay' for short) seeking annulment of trades, NSE by its order dated April 29, 2013 rejected the said application. Challenging the said order Emkay had filed Appeal No. 64 of 2013. While setting aside the said order and allowing the appeal by way of remand on August 26, 2014, we had directed NSE to pass fresh order on annulment application after hearing the concerned parties.

3. When the matter was taken up for fresh hearing, parties submitted settlement proposal which was rejected by NSE on ground that it has no power to take such settlement proposal. Hence the parties to the settlement proposal have filed the above appeals.

4. Before us, Mr. Bharucha Learned Senior Advocate appearing on behalf of NSE on instructions fairly stated that the settlement proposal put up by the parties is not in contravention of any of the rules/regulations/bye laws of NSE. However, he submitted that in the absence of any power, NSE could not entertain the settlement.

5. In these circumstances, since the settlement is bonafide and is not violative of any provisions of SEBI/NSE, without going into the question as to whether NSE had power to take settlement on record or not, in the peculiar facts of the present case, we, in exercise of powers conferred under rule 21 of the Securities Appellate Tribunal (Procedure) Rules, 2000 direct NSE to take on record the settlement proposed by the appellants and release the withheld payment to the parties in terms of the settlement. NSE is directed to release the withheld payment as

expeditiously as possible and in any event within a period of two weeks from today.

6. Both the appeals relating to annulment of trades are disposed of accordingly. This order will not come in the way of the Disciplinary Action Committee in continuing the proceeding pending before it against the parties to the trades in question herein.

7. Order of NSE dated December 04, 2014 impugned herein is modified accordingly to the extent setout hereinabove.

8. Both appeals are disposed of in the above terms with no order as to costs.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision: 26.03.2015

Misc. Application No. 128 of 2015
In
Appeal No. 134 of 2015

1. M/s. Emkay Global Financial Services Limited
The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar West,
Mumbai- 400 028

2. Inventure Growth and Securities Limited
Viraj Towers, 201, 2nd Floor,
Near Land Mark,
Western Express Highway,
Andheri (East)
Mumbai- 400 069

...Applicants

Versus

The National Stock Exchange of India Limited
Exchange Plaza,
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Mumbai - 400 051

...Respondent

Mr. Darius Khambata, Senior Advocate with Mr. Pesi Modi, Senior Advocate, Mr. Somasekhar Sundaresan, Mr. Abhishek Venkatraman and Mr. Dhaval Kothari, Advocates i/b J. Sagar Associates for Applicant No. 1

Mr. Shashank V. Choudhary, Advocate for Applicant No. 2

Mr. E. P. Bharucha, Senior Advocate with Mr. Rashid Boatwalla and Ms. Aditi Kamath, Advocates i/b Manilal Kher Ambalal & Co. for the Respondent.

CORAM: Justice J.P. Devadhar, Presiding Officer
Jog Singh, Member

Per: Justice J.P. Devadhar (Oral)

1. Not on Board. Mentioned by the counsel for the applicant. By consent Misc. Application for amendment is allowed in terms of prayer Clause 5(i) & (ii) of the Misc. Application. Amendment be carried out within two days.

2. Misc. Application is disposed of accordingly with no order as to costs.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member

26.03.2015
Prepared & Compared By: PK