

**BEFORE THE ADJUDICATING OFFICER  
THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/s KOTAK MAHINDRA CAPITAL COMPANY LTD.  
{SEBI Reg. No. INM000008704}**

**IN THE MATTER OF  
M/s KOTAK MAHINDRA CAPITAL COMPANY LTD.**

**CO/MIRSD/1178/AO/SD/30/2009**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had initiated adjudication proceedings against M/s KOTAK MAHINDRA CAPITAL COMPANY LTD SEBI Reg. No. INM000008704 (hereinafter referred to as 'Noticee') to enquire into and adjudge under Section 15HB of the SEBI Act, 1992 (hereinafter referred to as 'the said Act') the alleged violations of provisions of Regulation 13 read with Schedule III of SEBI (Merchant Bankers) Regulations, 1992 (hereinafter referred to as the 'said Regulations') and Clauses 5.1, 5.3.3.1, 6.9.2.1, 11.3.6, 7.3, 7.4.1, 7.7.7, 16.2.2.2 of SEBI (DIP) Guidelines 2000. Accordingly, a show cause notice bearing no.EAD/GBR/84194/2007 dated January 12, 2007 was issued under Rule 4 of the SEBI (Procedure for Holding Enquiry & Imposing Penalties by Adjudicating Officer) Rules 1995 to the Noticee, for the alleged violation of the abovementioned provisions of law by the Noticee.
2. Pending the adjudication proceedings, the Noticee made an application dated December 31, 2008 and an affidavit of "Undertakings and Waivers" in the matter in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20<sup>th</sup> April, 2007. Pursuant to the said application, the Noticee vide letter dated May 29, 2009 had proposed to pay Rs. 5,50,000/- (Rupees Five Lakhs and Fifty Thousand Only) towards settlement charges in the present matter. The revised terms as proposed by the Noticee were placed before the High Powered Advisory Committee (HPAC) meeting held on July 02, 2009 and after considering the facts and circumstances of the case, consent terms offered by the Noticee and material put forth before the HPAC by

SEBI, the HPAC recommended that the case may be settled on payment of Rs. 5,50,000/- (Rupees Five Lakhs and Fifty Thousand Only) towards settlement charges, as offered by the Noticee. The acceptance by SEBI of the said recommendations was communicated to the Noticee vide letter dated August 03, 2009.

3. In terms of the Noticee's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the Noticee to the finding of fact or conclusion of law, the Noticee has remitted a sum of Rs. 5,50,000/- (Rupees Five Lakhs and Fifty Thousand only), vide Demand Draft no. 486042 dated August 06, 2009 drawn on Kotak Mahindra Bank, Mumbai, towards the terms of consent in the matter.

4. In view of the above, it is hereby ordered that:

- (a) this consent order disposes of the said adjudication proceedings pending against the Noticee under the SEBI Act, 1992 in the matter of M/S Kotak Mahindra Capital Company Limited, and

- (b) passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings against the Noticee, if SEBI finds that

- I. any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
    - II. the Noticee has breached any of the clauses/conditions of undertakings/waivers filed during the current consent proceedings.

This consent order is passed on the 27<sup>th</sup> day of August, 2009 and shall come into force with immediate effect.

**SANDEEP DEORE**  
**ADJUDICATING OFFICER**