

**CO/IVD- 1/05/2012**

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

**CONSENT ORDER**

**ON THE APPLICATIONS SUBMITTED BY**

**DATASOFT APPLICATION SOFTWARE (INDIA) LTD  
(PAN - AAACD7939A)**

**MR. CHAITANYA MARKANDRAY BUCH  
(PAN - AAFP6610A)**

**MR. HASMUKH JAMNADAS SHAH  
(PAN - AAVPS3943H)**

**MR. CHANDAN MEGRAJ PARMAR  
(PAN – AABPP1116F)**

**MR. RAJESH MOTILAL BHUTA  
(PAN - AAEPB3545M)**

**IN THE MATTER OF**

**DATASOFT APPLICATION SOFTWARE (INDIA) LTD**

**(CONSENT APPLICATION NUMBERS - 2361 to 2365 of 2011)**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had conducted investigation into the alleged irregular transactions in the scrip of Datasoft Application Software (India) Limited (hereinafter referred to as 'DASIL') for the period from November 06, 2000 to January 25, 2001. From the investigation, it is revealed that there were irregularities in the preferential issue made by the company of 12,000,000 shares for cash @ ₹ 10 per share with a premium of ₹ 17 per share on April 27, 2000 to persons other than the promoters. The consent applicants are the company Datasoft Application Software (India) Ltd and its four directors.
2. Out of the 41 preferential issue applicants who had applied for allotment, 16 applicants had applied for as many as 1,18,50,000 shares by paying ₹ 3,19,95,000 towards application money. Subsequently, the company forfeited the amount paid by these applicants since they defaulted in payment of call money.

3. The scrutiny of the preferential issue application forms of the 16 applicants, during investigation revealed that the company and its directors deviated from the guidelines framed by the company for the allotment of shares, such as accepting applications without PAN/GIR no. and IT /Ward/circle, allotting shares in physical form rather than in demat form, allotting shares to connected entities etc. It was observed that a large number of applicants in the preferential issue were associates and employees of one G. S. Shridhar (A Hyderabad based Chartered Accountant) who has a company called Vivenasri Financial Services Limited or his front entities in which his employees were the dummy directors. The preferential allotment was also in violation of resolution passed in EOGM, since the allottees were neither promoters nor high value investors.
4. Pursuant to the investigation, a common show cause notice bearing no. IVD/ID-1/MS/NK/DASIL/189210/09 dated December 31, 2009 was issued to the consent applicants to show cause as to why suitable directions under section 11 and 11B of the SEBI Act, 1992 should not be passed against the consent applicants restraining them from accessing the capital market and prohibiting them from buying, selling or dealing in the securities market for the alleged violation of Regulation 6(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations 1995 read with Regulation 3(b), 3(c) and 3(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating To Securities Market) Regulations, 2003.
5. While the above proceedings were in progress, the consent applicants proposed settlement through a consent order in terms of SEBI circular no. EFD/ED/Cir-1/2007 dated April 20, 2007, vide separate applications dated July 07, 2011 and thereafter proposed revised consent terms vide separate letters dated September 23, 2011 whereby the company undertook to pay ₹ 1,00,000/- towards settlement charges and undergo voluntary debarment from securities market for a period of 1 year and the directors undertook to pay ₹ 1,00,000/- each towards the settlement charges.
6. The High Powered Advisory Committee, constituted by SEBI, considered the consent applications filed by the consent applicants. The Committee also considered the

consent terms proposed by the consent applicants and recommended the case for settlement on terms:

- (i) the proceedings pending against the company may be settled on payment of ₹ 1,00,000/- (Rupees One Lakh Only) and debarment for a period of one year from accessing the securities market, as proposed by the company applicant;
- (ii) the proceedings pending against the directors may be settled on payment of ₹ 1,00,000/- (Rupees One Lakh Only) by each of the applicants, separately, as proposed by the director applicants.

SEBI accepted the said recommendations and communicated the same to the consent applicants vide separate letters dated February 23, 2012.

7. For the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the consent applicants, the consent applicants have remitted the settlement amount as detailed in the table below.

S.No.	Name of the Applicant	Demand Draft no. & Date	Drawn on (Name of Bank)	Amount
1	Datasoft Application Software (India) Ltd	619669 & 27.02.2012	The Karnataka Bank Ltd	₹ 1,00,000/-
2	Mr. Chaitanya M. Buch	389933 & 28.02.2012	HDFC Bank	₹ 1,00,000/-
3	Mr. Hasmukh J. Shah	123625 & 27.02.2012	AXIS Bank Ltd	₹ 1,00,000/-
4	Mr. Chandan M Parmar	665865 & 03.03. 2012	Corporation Bank	₹ 1,00,000/-
5	Mr. Rajesh M. Bhuta	619678 & 29.02.2012	The Karnataka Bank Ltd	₹ 1,00,000/-

8. In view of the above, it is hereby ordered that this consent order disposes of the proceedings initiated vide show cause notice no. IVD/ID1/MS/NK/DASIL/189210/09 dated December 31, 2009 against the Datasoft Application Software (India) Ltd. and its directors Mr. Chaitanya Markandray Buch, Mr. Hasumukh Jamnadas Shah,

Mr. Chandan Megraj Parmar and Mr. Rajesh Motilal Bhuta in the matter of DASIL. It is also ordered that the company i.e. Datasoft Application Software (India) Ltd (PAN - AAACD7939A) shall not buy, sell or deal in the securities market, in any manner whatsoever, for a period of one year from date of this order.

9. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against consent applicants, if:
  - a. any representation made by the consent applicants in this consent proceeding is subsequently discovered to be untrue; or
  - b. the consent applicants breaches any of the consent terms or undertakings filed in this consent proceeding.
10. A copy of this order shall be served on all the recognized Stock Exchanges and the depositories to ensure that the company Datasoft Application Software (India) Ltd., (PAN -AAACD7939A) do not buy, sell or deal in securities, in any manner whatsoever, for a period of one year from date of this order.
11. This consent order is passed on this day, the 13th of April, 2012 and shall come into force with immediate effect.

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**

**RAJEEV KUMAR AGARWAL**  
**WHOLE TIME MEMBER**