

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**PAWANKUMAR PARMESHWARLAL  
SEBI REGISTRATION NO.INB010018813  
IN THE MATTER OF**

**V. B. DESAI FINANCIAL SERVICES LTD.**

**(CONSENT APPLICATION NO. 493/2008)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular transactions in the shares of V. B. Desai Financial Services Ltd. (hereinafter referred to as the 'company') during October 1999 – May 2000. The investigations, *prima facie*, revealed that Pawankumar Parmeshwarlal, a broker of BSE with SEBI registration no. INB010018813 (hereinafter referred to as the 'applicant') was part of the network of brokers which executed irregular trades in the shares of the company. It was, therefore, alleged that the applicant had violated the provisions of Regulations 4(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995, Clause A(1) to (5) of Code of Conduct read with Regulation 7 of SEBI (Stock Broker and Sub Broker) Regulations, 1992.
2. Pursuant to the investigations, SEBI initiated enquiry proceedings under SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. On receipt of Enquiry Report, SEBI vide its order dated January 06, 2006 suspended the certificate of Registration of the applicant for a period of 4 months. The applicant challenged the said order before the SAT and the SAT, vide order dated July 25, 2007 remanded the case back to SEBI to dispose the case after issuing a fresh show cause notice. Accordingly, a show cause notice dated December 20, 2007 was issued to the applicant. The

applicant replied to the said show cause notice vide his letter dated January 14, 2008.

3. While the above proceedings were in progress, the applicant vide letter dated January 29, 2008, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. He proposed revised consent terms vide letter dated February 28, 2009. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicant and after deliberations, recommended the case for settlement. Accordingly, the applicant shall pay a sum of Rs. 10,00,000 (Rupees ten lakhs only) towards settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated May 06, 2009.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 10,00,000/- (Rupees ten lakhs only) vide demand draft No. 259489 dated May 20, 2009, 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 said enquiry proceedings pending against the applicant in the matter of V. B. Desai Financial Services Ltd.
6. A copy of this order shall be sent to BSE of which the applicant is a broker.
7. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing or reopening of the proceedings pending against the applicant, if:
  - a. any representation made by the applicant in this consent proceeding 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 29<sup>th</sup> of May, 2009 and shall come into force with immediate effect.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**