

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

Consent Order IVD-ID3/AIL/AO/ DRK/AKS /EAD-3/ CO-54/01-11

CONSENT ORDER

(Application No. 2048 of 2010)

In the matter of

M/s Classic Finance

901/902, Atlanta Centre,

Sonawala Lane,

Goregaon (E), Mumbai-400063

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), vide order dated August 13, 2008 initiated adjudication proceedings against M/s Classic Finance (hereinafter referred to as ‘**the Noticee**’) in the scrip of Denim Enterprises Ltd. (currently known as Divine Entertainment Ltd.) to inquire into and adjudge under Section 15 A(a) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ‘**SEBI Act**’) the violations of the provisions of Section 11 C (2) read with Section 11 C (3) of the SEBI Act alleged to have been committed by the noticee. It was alleged that the noticee had failed to comply with the summons dated August 17, 2004 served on it for production of documents and submission of information. Show Cause Notice No. A&E/DRK/AS-AKS/184271/2009 dated November 19, 2009 was served on the noticee.
2. I was appointed as the Adjudicating Officer vide order dated December 10, 2008, under section 15 I of the SEBI Act read with Rule 3 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

3. Pending adjudication proceedings, the Noticee submitted an Application for Consent dated July 1, 2010 and an undertaking in the format prescribed by SEBI for settlement in the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Pursuant to the said application, as requested by the Noticee a meeting was granted to it before the Internal Committee on Consent on September 15, 2010 and the consent terms were settled at an amount of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) towards settlement charges. The consent terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as “**HPAC**”) on November 19, 2010 and the HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the Noticee and the other material brought before the HPAC. HPAC after deliberations recommended the case for settlement on the consent terms proposed by the Noticee which was approved by the panel of Whole Time Members.
4. In terms of the proposal of the Noticee 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 findings of fact or conclusions of law, the Noticee has remitted a sum of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) favoring SEBI vide Demand Draft No. 002689 dated December 30, 2010 drawn on HDFC Bank towards the terms of consent in the matter.
5. In view of the above, it is hereby ordered that:
 - i. this consent order disposes of the said adjudication proceedings initiated against the Noticee mentioned in para 1, and
 - ii. 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:
 - a. Any representations made by the Noticee in the consent proceedings are subsequently discovered to be untrue.
 - b. The Noticee has breached any of the clauses / conditions of

undertakings / waivers filed during the current consent proceedings.

6. This consent order is passed on the **19th day of January, 2011** and shall come into force with immediate effect.
7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to M/s Classic Finance and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: 19.01.2011

D. RAVI KUMAR
CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER