

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

PINNACLE FINSTOCK PRIVATE LIMITED

IN THE MATTER OF

DESIGN AUTO SYSTEMS LIMITED

(CONSENT APPLICATION NO. 1021/2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigation into the dealing in the shares of Design Auto Systems Limited (hereinafter referred as the 'company') for the period from August 2001 and January 2002. The investigation *prima facie* revealed that Pinnacle Finstock Private Limited, a member of the Bombay Stock Exchange with SEBI Registration No. INS010579436 (hereinafter referred to as the 'applicant') violated the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.
2. Pursuant to the investigation, SEBI initiated enquiry proceedings against the applicant. SEBI issued a post-enquiry show cause notice dated October 13, 2005 and a supplementary show cause notice dated November 16, 2007 to the applicant. The applicant did not reply to the show cause notices. An opportunity of personal hearing was granted on February 7, 2008.
3. While the above proceedings were in progress, the applicant vide letter dated October 16, 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. The applicant proposed revised consent terms vide letter dated January 19, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. SEBI accepted the recommendation and communicated the same to the applicant vide letter dated October 26, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.50,000 (Rupees fifty thousand only) towards settlement charges vide demand draft No. 684858 dated November 10, 2009 drawn on HDFC Bank Limited payable at Mumbai. The applicant has also undertaken, vide his letter dated January 19, 2009 to undergo voluntary debarment for a period of one year.
5. In view of the above, it is hereby ordered that this consent order disposes of the above enquiry proceedings pending against the applicant (PAN No. AACCP0276A) in the matter of Design Auto Systems Limited.
6. The copy of the order shall served on all recognized stock exchanges and depositories to ensure that the applicant (PAN No. AACCP0276A) does not buy, sell or deal in securities, in any manner whatsoever, directly or indirectly, for a period of one year.
7. This order is without prejudice to the right of SEBI to initiate 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 proceeding.
8. This consent order is passed on this day, the 18th of November , 2009 and shall come into force on 20th November, 2009.

M. S. SAHOO
WHOLE TIME MEMBER

Dr. K. M. ABRAHAM
WHOLE TIME MEMBER