

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

**ON THE APPLICATIONS SUBMITTED BY
MAHESH KHANNA, NEERU KHANNA AND SUNITA KHANNA**

**IN THE MATTER OF
ATLANTA LIMITED
(CONSENT APPLICATION NOS. 1326, 1327 AND 1328 OF 2009)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in the allotment of shares in the category reserved for employees of the company in the initial public offer (IPO) of shares by Atlanta Limited. The investigations prima facie revealed that Mahesh Khanna, Neeru Khanna and Sunita Khanna (hereinafter referred to as “applicants”) had used the employees of Atlanta Limited as conduits to corner the shares reserved for the employees in the IPO. It was, therefore, alleged that the applicants had violated Regulation 3 (c) and 4 (1) of the SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to Securities Market) Regulations, 2003.
2. Pursuant to the investigations, SEBI initiated proceedings under Section 11B of the SEBI Act, 1992 vide common show cause notice dated May 30, 2008. It also initiated adjudication proceedings under chapter VI A of the SEBI Act, 1992, against the applicants. The adjudicating officer issued a common show cause notice dated July 16, 2008. However, no reply was submitted to any of these show cause notices by the applicants.

3. While further proceedings were in progress, the applicants proposed settlement of the pending proceedings through a consent order in terms of SEBI circular no. EFD/ED/Cir-1/2007 dated April 20, 2007. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicants and recommended the case for settlement on payment of a sum of Rs. 3, 07,466 (Rupees three lakh seven thousand four hundred and sixty six only) being the unjust profits made and Rs. 61,534 (Rupees sixty one thousand, five hundred and thirty four only) towards settlement charges as proposed by the applicants. SEBI had accepted the said recommendations and communicated the same to the applicants vide letter dated July 29, 2009 which was returned undelivered. Thereafter, e-mail dated August 10, 2009 was sent to the applicants in this regard.
4. Accordingly, the applicants, vide letter dated NIL received on August 18, 2009, have remitted the following amounts towards settlement charges without admitting or denying the charges:

Sl. No.	Demand Draft No.	Date	Amount
1	008369 drawn on HDFC Bank Ltd. payable at Mumbai	18/08/2009	3,07,466
2	008370 drawn on HDFC Bank Ltd. payable at Mumbai	18/08/2009	61,534

5. In view of the above, it is hereby ordered that this consent order disposes of the pending proceedings under section 11B of the SEBI Act, 1992, as well as the adjudication proceedings against the applicants in the matter of Atlanta Limited.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicants, if:
- a. any representation made by the applicants in these consent proceedings is subsequently discovered to be untrue; or
 - b. the applicants breach any of the consent terms or undertakings filed in these consent proceedings.
7. This consent order is passed on this the 25th day of August 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER